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## LATIN AMERICA REPORT

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BRAZIL ACCUSED OF 'DUMPING' BY ARGENTINE BUSINESS CIRCLES

PY051550 Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 May 80 p 16

[Article by Rosenthal Calmon Alves, correspondent]

[Excerpts] Buenos Aires--After imposing a surtax on the import of Brazilian textiles, the Argentine foreign trade under secretariat of the economy ministry has released a study on charges made by businessmen regarding alleged cases of dumping [given in English] in the import of various products, and Brazil appears as the principal offender in every sector with the exception of food products.

The charges regarding alleged cases of dumping, or dishonest business competition, multiplied after the Argentine market was invaded by foreign products of the most varied type benefitted by Minister Martinez de Hoz's economic opening, which is gradually doing away with the majority of customs restraints in Argentina.

Now, Brazil does not consider the word dumping to be valid in defining alleged harm that can be caused to local industries by the subsidies granted to Brazilian firms that export their merchandise. This word has been used frequently in Argentine business circles for some time now, not only to accuse Brazil, but also a long list of other countries.

To the Brazilian government, dumping represents dishonest competition among enterprises. Therefore it is not appropriate to say that a government engaged in dumping.

These many charges will have no serious affect on the promising trade relations between the two countries, especially after Brazil has adopted the economic measures of the so-called December package. In that connection most of the important subsidies granted to Brazilian exporters were abrogated.

Moreover, the subject was discussed last month in Brasilia between the Argentine Economy Minister and Planning Minister Delfim Netto. "We wish to expand our trade within a framework of honesty," Martinez de Hoz said on that occasion.

During President Joao Figueiredo's visit to Argentina from 14 to 17 May, Brazilian export subsidies will be discussed at the businessmen level and between the Brazilian economic authorities accompanying the president and the Argentine Government.

## INTER-AMERICAN AFFAIRS

### ILLEGAL TRAFFIC OF DOMESTICS IN CENTRAL AMERICA REPORTED

San Jose LA NACION in Spanish 12 Mar 80 p 6A

[Article by Lafitte Fernandez R. and Guillermo Fernandez R.: "Illegal Traffic in Domestic Employees Discovered"]

[Excerpts] Massive illegal traffic in domestic employees, coming from Central American countries, especially Nicaragua and El Salvador, has been discovered by the Department of Migration Officials in the Ministry of Security.

The investigation, completed yesterday, with the participation of reporters from LA NACION, disclosed details and offers documentary and eyewitness testimony relating to certain violations of the country's labor and migration laws; through these violations, hundreds of young people from Nicaragua and El Salvador have reached the territory of Costa Rica after having been hired as domestic servants.

Several private, profit-making employment agencies, prohibited by labor legislation in Costa Rica, are managing to get unemployed foreign youngsters into the country like tourists by apparently complying with legal formalities. Once on Costa Rican territory, they turn them over to the clients who hired them and they in many cases mistreat them, they withhold their migration documents from them, they keep them locked up in their homes and they even take the employment agency fee out of their pay, according to some witness statements.

The case involving at least three employment agencies handling domestic servants in Nicaragua (one of which is managed by Costa Ricans); is in the hands of the Department of Migration Officials whose chief, Rodolfo Quiros Cedeno, directed the necessary investigations.

The directorate-general of labor inspection, Ministry of Labor, today charged those responsible for this traffic in the corresponding labor courts.



This announcement was made by Labor Inspector-General Antonio Hernandez Brenes who assured us that he would personally take charge of the case to the point of filing complaints in the courts of justice.

#### How Do They Operate?

By publishing short economic advertisements in the printed media of those countries, the agencies inform unemployed women of the possibility of coming to work in Costa Rica with "all expenses paid, good wages, Christmas bonuses, vacations, and days off," according to an advertisement published in the daily LA PRENSA, of Managua, Nicaragua.

In Costa Rica, for example, the following advertisement was published in LA NACION: "I am offering you magnificent Salvadoran female employees, at a commission of 1,500 colones, each." Both advertisements give telephone numbers to be called by the service offeror and user.

In Costa Rica, the agency's representative gets the money paid by the lady of the house to whom the female employee is to be brought; that amount may be as much as 3,200 colones. That person prepares a list with the name of the housewives and employees with their respective telephone numbers to indicate where they are. A list confiscated by the Migration Department authorities contained the names of 73 housewives who had hired an equal number of employees, all of them coming from Nicaragua.

When the number of requests is considerable, they get the individual job applicants together and bring them in by bus. One person from the agency accompanies them. One requirement for entering the country as tourists, in addition to the return ticket, is the presentation of \$150 [?pesos] by the agency escort; he hands that money over to be passed on to the officials from the Department of Migration.

After they have reached Esparza, a place where the bus usually stops to give the passengers a chance to eat something, the escort once again picks up the money handed over earlier. He also picks up the passports which will be given to each of the housewives when they receive the girls in the capital.

#### Mistreated

If any of the girls for any reason whatsoever must return or wishes to return to her home country, she has to pay her lady of the house the money which presumably is due her for having brought her into Costa Rica.

#### Law Violations

Among the law violations which, according to officials from the Department of Migration, have been incurred by the owners or representatives of the

employment agencies are the following: the girls they bring do not have a temporary work permit; they make a mockery of the migration laws by temporarily presenting the amount of \$150 (? pesos); they withhold their migration documents and they operate a private, profit-making employment agency which they are prohibited by law from operating in Costa Rica.

Article 80 of the Law Establishing the Ministry of Labor and Social Security says the following verbatim: "The operation of placement agencies with pay is prohibited as are agent activities; however, enterprises may freely select from among the workers registered with this office (employment office) or they may directly hire persons not registered."

#### Declaration

One of the statements submitted to the Migration authorities, signed by Teresa Martinez Campos, contains the following passage: "They brought me on 16 November 1979. I came to work where the doctor is; I worked only 15 days because the work was too difficult; then I left and I entered into a new contract involving 1,400 colones with the gentleman; now I do not want to work there anymore; but they withheld my passport and I had to give them a check for 600 colones before they would give me my passport (a copy of check No C 947593, with the signature of Lorena S. Murillo, is attached); so far they have not given me my passport even though I gave them the 600 colones. The lady doctor, my former boss, owes me 175 colones (as I said before, because she was the first one)."

These facts were checked out yesterday in the Migration Department offices where six women, brought in under similar conditions, women of Nicaraguan nationality, reported to one of the officials and representatives of one of the private, profit-making employment agencies.

#### Other Agencies

In Costa Rica there is an agency called Decopin y Servicios Domesticos, S. A., whose representatives were given a warning several days earlier, as the first step in the investigation.

On the other hand, in addition to the agency domiciled in Nicaragua, administered by Costa Ricans, there are two other agencies in Costa Rica which have been operating here for several years. One of them, it was learned, is operated by Mrs Julia Pasos and the other one is run by Mrs Marta de Vives.

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CSO: 3010

## INTER-AMERICAN AFFAIRS

### BRIEFS

**SALVADORANS PAY COSTA RICAN EXPORTERS**--Costa Rican industrialists have received \$10 million from Salvadoran importers. Costa Rican exporters have satisfactorily overcome the problems they were facing with the Salvadoran importers, who were unable to meet payments estimated at around \$10 million. This situation emerged in December of last year and worsened during the first 3 months of this year after the Salvadoran junta adopted monetary control measures. [Text] [PA011718 San Jose Radio Reloj in Spanish 1200 GMT 1 May 80]

**HONDURAS BORDER CROSSINGS DISCUSSED**--Talks have taken place between Salvadoran and Honduran military personnel in Ocotopeque, Honduras, regarding the illegal entry of Salvadorans into Honduran territory as a result of the violence prevailing in El Salvador. Honduran Foreign Minister Eliseo Perez Cadalso has indicated his concern over the entry of guerrillas into his country. He said that these groups are small and above all, have entered Honduras "to rest after fighting." The meetings between Honduran and Salvadoran military officers have been attended by OAS observers, who are supervising a 100-km demilitarized zone between the two countries. [Excerpt] [PA032256 San Salvador LA PRENSA GRAFICA in Spanish 3 May 80 pp 5, 31]

CSO: 3010

ARGENTINA

FRONDIZI SUGGESTS VIDELA MISINFORMED BY MILITARY

Buenos Aires CLARIN in Spanish 13 Apr 80 pp 9-10

(Text) "Out of respect for public opinion and the speaker himself (the president), I have taken up the task of responding, point by point, to all of the main assertions that he made. I am leaving out his assessment of the victory over subversion, because I fully agree with it. I will broach what has not been done and what ought to be done to consolidate that victory, beginning with economic policy, inasmuch as it was highlighted in his speech."

These and other statements are contained in the document that former President Arturo Frondizi, the current head of the MID [Integration and Development Movement], released last night. Most of it is a commentary on the statements that retired Lt Gen Jorge Rafael Videla made in his recent address to the nation.

"The state's highest authority is acting on the basis of gross misinformation concerning the actual conditions in our country," the document stresses. "This is obvious through a mere reading of his address. A man who as a professional soldier has only recently dealt with governmental issues has unquestionably prepared his statement based on reports from the specialized areas of government. Some of them have shown that their assessments are not in keeping with the facts."

The president of the MID also says that the 20 percent drop in farm output "dramatizes the time we have lost"; that there has been no "genuine clean-up (sinceramiento) of the economy" with a dollar that is undervalued by 40 percent; that the government has not "fought against harmful statism" because the increase in public expenditures "cannot be concealed by changes in accounting methods or financing procedures."

Frondizi asserts that "the struggle against inflation is an attempt to contract and tailor the country to the requirements of the model"; he refers to the "heavy bombardment of imported goods" and points out

that "collision with reality will be very severe if we live in the unreal climate created by the propaganda and slogans of the economic team."

With regard to censorship, he states that "a mechanism designed to convey a distorted view of the facts and to manipulate public opinion is unquestionably at work in the country," adding that "this rules out any chance to really clear up the facts and through its secretive, explicit or implicit standards, inhibits and chokes off the opportunities for journalism and debate." This, he concludes, "damages the country and the Armed Forces, whose destiny is linked to our national destiny."

The following is the text of the document:

The president has addressed the nation on the occasion of the fourth anniversary of the National Reorganization Process. His words, which constitute a sort of balance sheet, are the equivalent of the presidential addresses to Congress under constitutional governments. Therefore, his speech should be analyzed and assessed by the various segments of public opinion. I have taken an in-depth look at his address and decided to make my views public.

I would like to have issued a favorable judgment. I have always wanted the current process to be successful, because our political movement is convinced that it is proceeding in step with history and that it does not base its triumph on the failure of others. We feel that the civilian-military rotation should conclude with the unity of the two regarding our nation's destiny and with a thorough renovation of our former political practices. Personally, I seek no further honors than the republic has already bestowed on me. This desire, this spirit, motivated the letter that I sent the current president on 13 December 1976, when I pointed out the risks entailed in the current course of events. At that point it was prudent to do so privately, as a direct contribution. Today, though the same spirit and sincerity prevail, the discussion must be opened up, so that everyone can find out exactly what is going on. After a lengthy wait, this is how I am fulfilling my responsibilities to the country.

As I said, my constructive attitude is the same. Another important fact is that the president speaks on behalf of the Armed Forces, which leads me to believe that the state's highest authority is acting on the basis of gross misinformation concerning the actual conditions in our country. This is obvious through a mere reading of his address. A man who as a professional soldier has only recently dealt with governmental issues has unquestionably prepared his statement based on reports from the specialized areas of government. Some of them have shown that their assessments are not at all in keeping with the facts.



In the specific case of economics, moreover, we have heard an extremely emphatic tone. The president's change of tone, which surprised many ("We will not be at all shaken by ominous harangues or self-interested criticism, because we know from the facts that we are on the right path"), does not stem, I am inclined to think, from haughtiness but from his mere mistaken approach.

Therefore, out of respect for public opinion and the speaker himself, I have taken up the task of responding, point by point, to all of the main assertions that he made. I am leaving out his assessment of the victory over subversion, because I fully agree with it. I will broach what has not been done and what ought to be done to consolidate that victory, beginning with economic policy, inasmuch as it was highlighted in his speech.

In his introduction to the topic, the president spoke of a "structural transformation of the economy," of an "expanding, consistent and harmonious situation" and of "categorical and momentous accomplishments." This view is at variance with the specific experiences of Argentines. I will have the opportunity to go into detail when I proceed statement by statement. Nevertheless, in response to his words, I cannot but point out that an economic model contrary to our national interests is being applied. It maintains what should have been changed in our production structure, revamping and tailoring it to the network of transnational operations. It has taken apart the economy of our basic sectors and regions so as to link them, harmoniously indeed, to the network of transnationals by means of the so-called opening up of the economy. The model's accomplishments are destructive to national output, because our producers cannot compete with imports from more advanced countries or from countries with a semi-enslaved labor force. As if this were not enough, these imports are, furthermore, subsidized by the Argentine Government through the lagging exchange rate. My comment about the accomplishments is that they are far from being categorical and momentous; rather, there are clear symptoms of a crisis in various sectors. What has happened on the financial market, in the wake of the liquidation of one of our major private banks, is a serious development and, at the same time, a warning. There is a gray area as to what measures the appropriate officials could have taken to dampen the impact, inasmuch as they knew for some time about the bank's worsening situation. Nonetheless, the serious part has to do with the overall economic process. Our economic leaders spurred the overexpansion of the financial system through measures that represented subsidies and by proceeding to turn the indebtedness of the public sector into the most active factor for loosening the market. The financial crisis that is now upon us (and this is the heart of the matter) is the visible tip of the iceberg, inasmuch as the difficulties of the banks and finance companies resulted from the problems faced by the production activities that are going into default and

that are not in a position to carry forward their credit requirements for investment. This is part of the overall economic crisis.

The resolution issued to prop up the financial system will necessitate major subsidies to maintain the level of deposits, subsidies that entail an inflationary issuance of currency and that will have a burdensome impact on the entire country. But the stubbornness in holding to the line that has been adopted, in making it irreversible, despite the political changes that the Military Junta might decide, can be seen in the extension of the mandates of the Central Bank administration and in the plan to create for them a system of autarky and tenure. This is serious, because it rewards poor performance and conditions the political maneuvering room for the Armed Forces within the National Reorganization Process.

Let us now look at the clash between the president's words and the facts:

1) There has been "a genuine clean-up of the economy," the president said. Nevertheless, the exchange rate for the dollar is 40 percent too low, and we are all familiar with the distortions that this has generated throughout the economy. Wages are still virtually frozen, having dropped well below their historical levels. In addition to applying exchange and wage "guidelines," the economic team applies guidelines to public utility rates (in constant pesos), which are 13 percent lower than in January 1979. We are thus returning to the system of political prices, with the resulting deficits and lack of investment in state-run enterprises. From a deficit of \$450,000 a day in 1975, Argentine Railways has soared to a shortfall of an estimated \$4 million a day for 1980, and it currently spends \$1.3 million a day in debt servicing.

2) "We have fought against the harmful statism that doomed us to stagnation," he said. This has not been the case, inasmuch as public expenditures in constant money (1960 pesos) have risen from 7.052 billion in 1976 to 7.523 billion in 1980. There has been an increase that cannot be concealed with new accounting methods or financing procedures. In addition to being burdensome, the practice of resorting to public indebtedness has distorted the financial marketplace and encouraged speculation at the expense of production. The lack of significant developments in cutting expenditures (except for the inadvisable expedient of paring back investment) has led to a pernicious rise in taxes, which amounted to 17.4 percent in 1975 and which will hit 25.5 percent in 1980. The impact of this will be none other than to accentuate our stagnation.

3) "Virtual petroleum self-sufficiency," announced the president's address. This is a stunning piece of misinformation. In 1979,

fuel imports accounted for 18 percent of our total imports, the highest percentage in the last 18 years, ever since the MID administration achieved self-sufficiency. From 1976 to 1979 the country imported \$2.753 billion in petroleum and derivatives. We could have done some of the following things with that money: a) finance the total construction of Salto Grande; b) finance 36 percent of Yacyreta; c) drill an average of 400 additional wells a year. This is unjustifiable, because the country's experience shows that we could soon bridge the gap towards self-sufficiency and, moreover, become an exporter.

4) The president pointed to "spectacular increases in foreign trade" and "the permanent and qualitative rise in our reserves." He is being confused by appearances that have confused many. Though exports increased 38 percent over the last 4 years, they also did over a similar 4-year period from 1972 to 1975. This is a trend in trade that cannot be attributed to the performance of the current economic team, whom the president should ask to clarify the statements that he made, because if merit is, in fact, due, it ought to be apportioned among the seven teams that preceded it. The truth is that by keeping the exchange rate lagging, the current leadership has prevented this trend from fully developing.

Our \$6.5 billion trade surplus over the past 4 years cannot be attributed to anyone's merit, but rather to climatic conditions and the world market for commodities, as well as to the fact that the recession and the absence of newly created activities curbed imports. We have repeatedly warned about the fragility of a foreign sector based on such conditions. Farm production has now declined 20 percent from the previous harvest. This major drop dramatizes the time that we have lost by not promoting the activities that can lend solidity to our economy and that are unaffected by random factors. The trade surplus that I noted brings us to the subject of our reserves. True, the foreign exchange that the Central Bank computes as reserves has grown, but everyone knows that this is due to the inflow of foreign loans and speculative capital that will beat a hasty retreat, creating payments problems for the country and removing its profits, when the string of brilliant business deals that they are being offered runs out. The source of our reserves becomes obvious when we bear in mind that the increase in holdings is equal to the rise in our foreign debt over the period. Thus, what the Central Bank displays as assets or reserves also constitutes a debt on the liability side.

And then there is this question: Where are those \$6.5 billion in our trade surplus that we should regard as real reserves? The fact that our reserves and foreign indebtedness are equal indicates that we

have sadly lost this money in interest payments, speculative profits and other kinds of transfers overseas. In short, our reserves are fragile, to which we can add that this year we will surely run a deficit in our trade and payments balance. We have not used our trade surplus for our development; we lost it as a result of the current policy that, among other extravagances, enabled Brazil to take in close to \$800 million last summer alone in real estate purchases and tourism. Total tourism expenditures from 1978 to date amount to \$4 billion.

5) "The steady struggle against inflation--with increasingly positive indicators," was also portrayed as an accomplishment. The fact is, the so-called struggle against inflation is inherently negative in the way that it has been implemented. It is not a struggle against inflation but an attempt to contract and tailor the country to the needs of the model. The "struggle" was not waged, as it should have been, by cutting the deficit sharply and promoting production and development. It was governed by the approach of contracting the demand of wage earners and the vast segments of the middle class and of generating an oversupply of imported goods that undermined domestic production and paved the way for future outbreaks of inflation. Moreover, the indicators are not positive, because after 4 years of suffering and heavy bombardment by imported goods, we have not gotten down to a three-digit inflation rate, while monthly rates continue to be high. In reality, the indicators are artificially held down by the overstated exchange rate, by the fall in real wages and by the politically-determined utility rates. When the real clean-up comes, and it will have to come sooner or later so as not to paralyze the country, inflation will show its true face.

6) The president spoke of "a favorable outlook for growth and investment." Not only is the outlook not favorable; it is frankly unfavorable and discouraging. The fact that the gross domestic product increased in 1979 from the depressed levels of 1978 means little when the GDP per inhabitant is still below the 1974 level. The official statistics are clear. If the 1972-1975 level had merely been maintained, real output under the current administration would have been \$20 billion higher. This is the minimum hypothetical amount that the country has lost because of the current recessionary economic policy.

But the fall in output can be gaged not only with respect to the previous 4-year period. The growth rate for the 4 years of the current administration is the lowest in any 4-year period since the Great Depression of the 1930's. This cannot be attributed to a new external crisis, because over the last 4 years Chile and Brazil grew 30 percent, Paraguay 44 percent, and Bolivia and Uruguay 16 percent. Despite the privileges that the country enjoys and that official propaganda reminds us of, our growth has been less than a third of



our neighbors'. If we extend the comparison to all of Latin America, it turns out that over the last 4 years we share last place in growth with impoverished and war-torn Nicaragua.

These data are, of course, very harsh, but the Armed Forces and the country as a whole ought to know about them. We can hardly go about solving our problems by ignoring them. The collision with reality will be very severe if we live in the unreal climate created by the propaganda and slogans of the economic team.

The president discussed other topics, education, for example. Here, the high rates of school dropouts cannot be concealed, and the lack of a comprehensive education policy is patent. There is a restricted, small-scale approach, an adaptation to the requirements of the model, not an approach in keeping with our country as a whole. The concept of federalism has been invoked, when much of the school decentralization program has been implemented for budgetary purposes, to transfer poverty to the provinces and to bring new ills to the interior, which is beset by the crisis in regional crops and in activities on the whole. Health care and housing were mentioned in the president's message, though there has been an appreciable worsening in both areas. Malnutrition and infant mortality rates are high, and there has been a general decline in health care services. And decent, personally-owned housing is an increasingly elusive dream for millions of Argentines.

The president mentioned the Law of Worker Trade Union Associations. The righting of excesses should not lead to a defenseless situation like the one that the government is trying to put our workers in. We must insure the workers' unity and right of self-defense, as well as the genuine representativeness of labor leaders. We must realize that the good intentions to improve union practices cannot become an instrument to impose things on the country, by artificially curbing social grievances and by pursuing an economic model that favors the transnationals and leads to an explosive concentration of wealth vis-a-vis the impoverishment of the community. The aforementioned enormous sum spent on tourism, which, of course, only a small percentage of our people can afford, gives us an idea of the harmful income transfers that are taking place in Argentine society. The majority of people are sacrificing without hope of expansion, investment and, consequently, of future recompense. According to the data that I have cited, this is a futile sacrifice.

The president also spoke of foreign policy successes. He cited the case of relations with Brazil, but mutual intentions will not stop the imbalance in growth potential between the two countries from tending to further our neighbor's industrialization and to intensify our specialization in raw materials, our weakness. Good relations with



Brazil are essential, but as part of an economic context far different from the one that we have shaped under the current policy. The president also referred to our relations with "major world powers." It would be naive to be deceived by visits and attitudes; it would be overlooking the trends that underlie such appearances. We knew that to many people, defending human rights was a political tool, not a question of principles. We are now witnessing a new phase in which the country is being asked to tailor its model to the requirements of coordinating its workings with specific regional and world mechanisms, with interests other than the sacred interests of the nation that all Argentines, and particularly the Armed Forces, want to defend.

I would like to conclude this statement by touching on a issue that is of deep concern to me, an issue that further widens the gap that I have described between the facts and the government's viewpoint. The president said that "each medium of expression says what it thinks, without restrictions or limitations." Nothing could be further from the actual situation of Argentina's mass media, not because of direct repressions, but through subtle, albeit powerful and harmful, means. A mechanism designed to convey a distorted view of the facts and to manipulate public opinion is unquestionably at work in the country. In such a climate, censorship and self-censorship can only go together, and one of the most clear-cut manifestations of this is what happens with the powerful mass media that are run by the state. In addition to costly direct propaganda, something even more harmful is done through them. No dissenting individual is given the opportunity to express his viewpoints; there is a weekly rotation of officials on programs, and it does not take the keenest eyes to see that interviews are often conducted with "prepared" questions and answers. This rules out any chance to really clear up the facts and through its secretive, explicit or implicit standards, inhibits and chokes off the opportunities for journalism and debate. It inhibits a factor that is indispensable for the country to breathe an air of realism and to march towards greatness, justice, freedom and democracy. It damages the country and it damages the Armed Forces, whose destiny is linked to our national destiny.

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## ARGENTINA

### SPECULATIONS ON VIDELA'S SUCCESSOR OVERRIDING CURRENT CONCERNS

Buenos Aires CONVICCION in Spanish 13 Apr 80 p 1

[Article by Hugo Ezequiel Lezama]

[Text] While public opinion focused on the comments being made about the collapse of financial and even industrial institutions; while the government undertook new stages in the "dialog" amid mild citizen indifference; while the highest military authorities delivered speeches or made statements to the press concerning doctrinal points of the Process and went about cautioning the impatient about the longevity of the system that governs us, professional politicians, students of politics and the politicized among us continued focusing on a much more specific and appealing subject for speculation: Who will Videla's successor be?

It is not by chance that things are turning out this way. In the first place, current economic developments are not a surprise; they are, rather, a confirmation of the revolutionary approach taken by Martinez de Hoz, who, rightly or wrongly, is bringing about substantial changes in the country's production and financial landscape, even at the expense of the establishment. Secondly, by avoiding the "star system" so far, the much-publicized "dialog" lacks the dramatic "hold" on the average citizen. And thirdly, the abstract definitions and the unanalytical and often optimistic assertions that the leaders of the Armed Forces come out with concerning the Process and the future of Argentina have a very limited public, jaded by growing incredulity and despair over the gap that usually exists between words and actions.

#### The Presidential Succession

It is not surprising, then, that sensitive observers should turn their attention to the presidential succession, because it is a fact and a fact of great importance.

Although it is true that this Process is significantly different from any previous experience, in that its apparatus of power was conceived

so that ideas would be much more important than men, it is not true that it makes no difference who implements the political ideas of the Process. Even bearing in mind all of the careful margins of safety that have been provided for, the institution of the president (its traditional power crippled today) has an inherent strength, an innate prestige and an energy of its own that are so deeply rooted in the collective mind that the president has a great deal of maneuvering room, and this maneuvering room will disclose the intellectual, emotional and personality traits of whoever is president. Most of the difficulties that have arisen so far in the unfolding of intra-governmental relations have been caused by an initial error of the Process: pinning the label of president on someone who has to discharge the function of head of government, not chief of state.

It is for these and many other reasons that politicians, students of politics and the politicized are casting a more worried glance at Balcarce 50 than at the commanders-in-chief, even though rationally they realize that the Military Junta is the source of power.

#### Imagination in High Gear

This is why neither the Banco de Intercambio Regional, nor the Soviet or American missions, nor the enriched uranium, nor the "dialogs" are preventing the conjecture mills from churning out guesses as to who the next president will be, and imaginations were in high gear last week concerning this topic.

If Viola lunches at the Plaza with Juan Manuel Courard (the president of Ford), if Massera travels to Europe to speak with Strauss on the same plane taking Ricardo Balbin to Spain, if the speech that Viola delivered at the Military College at the traditional banquet for retiring generals had seven paragraphs taken out of its initial version, if Brig Lami Dozo is seen to be smiling more than usual (and he usually is smiling), these simple facts, possibly devoid of further meaning, can be used as the basis for intricate speculation.

Just on Thursday and Friday of last week we could point to no fewer than six alleged lists of Armed Forces candidates for the presidential succession, and each "informed source" was convinced that it knew the truth. It was useless to try and put the issue on ice, to assure them that the Armed Forces do not as yet have any list under consideration, to advise them September is still a long way off. The "informed sources" did a dazzling juggling act with Cacciatore, Saint Jean, Chasseing, Viola and Harguindeguy. One of the most warmly applauded conjectural acrobatics was performed at a traditional table at the Circulo de Armas, where a "well-informed source beyond suspicion" went so far as to contend that high-ranking officer friends of Viola

were working on the possibility of filling the post of vice president with a prestigious retiring admiral (Fracassi) in order to tilt the navy's vote towards a Viola-Fracassi ticket. The response of a fellow diner, that the air force was not going to tolerate such an exclusion from the top level of the Executive-Legislative Branch, did not have much of an impact on the "informed source," who left to spend the afternoon visiting luxurious bankers' and lawyers' offices to disseminate his unfounded "scoop."

But we should not get annoyed that such speculations are being made. We have to realize that politics is part of human behavior (in other words, it is inexorable), and if you cannot play politics with politicians, you play it with the military, just as it was previously played with labor leaders. Politicians might be suspended, but there is no decree that can suspend politics, because such a decree would itself be politics.

#### Aggression Over Little Things

Although the government should not worry about the imaginative flights of politicized citizens, because they are "discharges into the ground" that relieve tensions, it should pay careful attention to the people's degree of irritability and seek solutions so that it does not lose control. I think that there is no real basis in Argentina today for those who apocalyptically predict public explosions like the "Cordoba disaster" as a result of economic and social pressures. Furthermore, not even the official statements hinting that the Process will be a lengthy one before we achieve the famous stable, modern, efficient, etc democracy, are of much concern to people. Most of the people in the country are not calling for elections because they do not believe that elections are the solution either, and so the regime enjoys a good degree of public acceptance, as of now. But I do think that aggression over little things could trigger a mass protest that would begin somewhat innocently but that could be taken advantage of later. There was already a traffic incident last week in downtown Buenos Aires because of an apparently uncloggable bottleneck, and people got out of their cars and threw the barricades out of the way. The government should beware, because a barricade cannot stop people from getting through (it is physically unable to do so); a barricade is an official means of indicating a prohibition. Thus, when a barricade goes flying through the air, strictly speaking, it is authority that goes flying through the air, and this seemingly trivial example cannot be taken lightly. If we stop to think that making a phone call is practically a game of chance, that electric power service is disgraceful, that people living on the upper floors of apartment buildings also have no water when the power goes out and that these same people get in their cars and are tied up for 40 minutes on the street, we

will see that they can become dangerous political animals who act on a very elementary level, often unjustly and without question irrationally. But a dangerous political animal is still dangerous even though we know why.

The ideologists of the Armed Forces must bear in mind that doctrines are very important but that they cannot just float around in space; they need flesh-and-blood people to accept them, and people must be given a sufficiently tension-free environment to operate in the realm of ideas.

Irritation is part of politics, just like conjectures about the presidency.

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## ARGENTINA

### PERONIST MOVEMENT EXPERIENCING SYMPTOMS OF EROSION

Buenos Aires ULTIMA CLAVE in Spanish No 474, 15 Apr 80 p 4

[Text] Peronist Muddle

Peronist statements tend to confuse most people because although they disclose deep-seated differences, they do not in themselves reveal the internal struggles (the sordid battles, traps and crafty moves) that characterize the backstage maneuvering in the movement and that, seen and analyzed in the proper light, give us reason to believe that the political capital left behind by Peron is sure to erode or break up (and, in fact, it has already begun to, in part). Available evidence: the maneuvers resorted to by the faction headed by Lazaro Roca, an ultraverticalist (subject to remote or perhaps nearby control by Labake) and his closest associates in disclosing on Tuesday the 8th a sort of "declaration of war on the dialog." With the same cockiness that has always been its trait, the Superior Council announced that 100 leaders had met in Avellaneda to endorse precisely this veritable "declaration of war."

Under present circumstances, a group of 100 persons is a big event, even though it included the members of the Peronist Superior Council and, as a kind of comprehensive assortment, the boys who were but no longer are. Newsmen could have really exhausted themselves checking out the details of the meeting, in the first place because there were fewer than 10 (not 100) persons at the meeting (Labake, Roca, among others), and the self-styled "big boys" did not show up, and secondly because it was held not in working-class Avellaneda but at a house on famous Belgrano "R." (As things now stand, press news chiefs are going to have to take precautions and not automatically assume that meetings and assemblies are being held where their informants tell them they are or that the reported number of persons are attending; the same approach must be taken with regard to the texts that some people, capriciously or coercively, try to get publicized by taking advantage of the generous space or time offered in a number of news media).

With the temperature hovering at 28 degrees and with 90 percent humidity, the participants at the meeting, protected from the dog days by the air-conditioning in the building, did not hesitate to lie to public opinion in a bid to score points in the internal struggle with other Peronist factions. Perhaps they wanted to surpass Bittel's record, which he set not long ago when he tried to give the impression that the statement drafted by four colleagues in Dr Saadi's office (Bittel himself was not there) had enormous support. Such flimsy and oft-repeated plays only work against those who essay them, because it soon comes to light that they are practically alone and lack firm support and real backing in their actions and statements.

### "A Real Party"

In Rosario, Luis Sobrino Aranda did not let them get far ahead. He tried to bring about a sort of convergence of Peronist factions by inviting Angel Federico Robledo to a meeting at which Isabel's former interior minister would attempt, by virtue (it is said) of his oratorical gifts and persuasive methods, to lay the groundwork for a "cordial entente" among hostile factions, excluding, of course, the verticalists who back Roca or Bittel.

Of equal or greater importance than the event itself was that there were no problems holding it and that it was the first public act by Peronism since 1976 (it was "a real party of realistic Peronism," the bulletin CONVERGENCIA, run by Sobrino Aranda, asserted). But that is not all. The meeting was held at a union building, the headquarters of the Light and Power Union to be exact, which under current law is not authorized for such meetings. This development is indeed serious, not only because the union is under intervention by a military officer, but also because the man who is attempting an in-depth overhaul of Peronism has, by his mere presence, committed a violation, an abuse that would have been a routine matter under the Peronist government. Can you imagine what would happen if there were no law banning all political activity in the unions?

We might mention, as a complementary observation, that despite the constant publicity that preceded it, the event was attended by only 500 persons, a scant number if we recall that it was held in Rosario, which in the not too distant past was a hotbed of Peronism.

On the one hand we have meetings on Belgrano "R" and in Dr Saadi's study, full-fledged fantasy, tropical delirium; and on the other we have loud summonses that bring together, with good will, barely 500 individuals, the ones who have had everything and who now, without any obstacle or coercion, have had to confront the spontaneity of those who, unlike yesterday, do not feel compelled to show up, applaud or shout hurrah. These facts furnish enough elements or

reference points to deduce which faction really commands the sympathy and support that the Peronist world's frequent declarations claim to have.

Perhaps the movement's political sphere is already being eroded, just as the monolithic structure of organized labor has been undergoing decay, as we can see from the unsuccessful strike call on 27 April 1979. Organized labor is increasingly faced with mounting difficulties in dealing with the bulk of a working-class population that does not want to go back to "that business" and that has ceased to blindly support the warlike pep talks of a Roberto Garcia, the taxicab driver without a taxi, or the absurd intentions of his colleagues, the frenzied worshipers of a past that can never return.

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## ARGENTINA

### CURRENT RELATIONS WITH USSR, U.S. SURVEYED

Buenos Aires ULTIMA CLAVE in Spanish No 474, 15 Apr 80 pp 6-8

[Text] The Risks of an Accelerated Pace

Astoundingly, Argentine foreign policy is continuing to hasten its pace of action. Although it is true that a number of circumstantial coincidences played a part in this, it is no less true that ever since the grain embargo that Washington ordered against the Soviet Union because of Afghanistan, a thawing out period has begun for our country's foreign relations.

The fact that we can verify that things have and are taking place that were not anticipated even in the calculations of the most imaginative observers of our foreign policy does not necessarily imply that everything that is happening is positive. If we analyze carefully the motley panorama of the past 15 days, we will readily see that the principal development has been the emergence of the USSR as a favored partner over a wide range of areas, from nuclear energy to maritime cooperation, and from the purchase of farm products to participation in the Parana hydroelectric projects.

The government contends that there is nothing preventing us from developing close trade and technological relations with Moscow while, at the same time, pursuing an inflexible anti-communist line on the home front. This has not convinced a number of the leading figures, civilian and military, of the process that began on 24 March 1976. The doubts and hesitations, which, moreover, are readily perceptible, stem from the fact that the government's anti-subversive doctrine pinpointed the USSR as the central core fueling uprisings against the West, including, of course, the one that beset Argentina and that at the time was the number one reason why the Armed Forces monopolized political power in our country. There are those who do not conceal their conviction that current Argentine foreign policy entails a contradiction that will explode sooner or later and turn against the nation's best interests, inasmuch as they feel that the damage being inflicted on relations with the United States (above and beyond a number of erroneous stands by the current Democratic administration) is irreparable.

## Grounds for Fear

The USSR unquestionably has a consistent foreign policy. With varying degrees of surly treatment and evasiveness, the Soviets pursue a homogeneous course of conduct that should lead us to reflect at length on their tactical objectives, inasmuch as they are in no way unrelated to an overall strategy that purely and simply consists of extending their hegemony as far as possible in terms of military, political, economic and technology capabilities.

In light of this clear-cut expansionist aim, the United States has essayed several tactical variants and has more than once--and very substantially--altered its strategic views. After the United States' postwar expansion, at the expense of the former colonial empires, and ever since the bipolar nuclear confrontation, the USSR has slowly but persistently made geopolitical gains, the most recent stage in which (as of now) is unfolding in Afghanistan.

In its approaches the United States has reflected the contradictions that are inherent in democracy and in the struggle among domestic interests. From containment to detente, from MacNamara to Kissinger, we have seen a wide range of approaches that are at times incompatible. We can perhaps assert that the changes in American policies have stemmed not so much from the determining and conditioning factors of its main enemy, but from the problems on the domestic front (such as the repudiation of the war in Vietnam) or in alliances with Western powers, such as the case of France's withdrawal from NATO.

In our hemisphere, Cuba's success has conditioned the State Department's policy towards the nations to the south to a large extent. The United States preferred to keep as low a profile as possible (except in the case of the unsuccessful Alliance for Progress) rather than go along with and even encourage the processes of political change that would inevitably come to pass, precisely as a result of the accelerated changes in world politics and economics, most of which were spurred on by the United States itself.

In our previous issue we said that the United States does not have (and probably will not in the immediate future) a specific and consistent program or policy towards Latin America as a whole. This can be readily seen in Argentina, one of the key elements in any program for the hemisphere. This lack is especially noticeable at a time when Argentina is undertaking in-depth changes in its economic and social structures, with their obvious external implications. To put things as clearly as possible: there is a perceptible power vacuum at the inter-American level, brought about by the absence of a basic hemispheric policy on the part of the United States.



As far as our country is concerned, the Argentine military cycle that began in 1976 coincided with the United States' post-Kissinger decision to encourage democratic processes. Here is the first contradiction, and from it stem the disagreements on human rights and the battles still being waged over the nuclear issue. Neither Carter nor Vance ever thought that the military government would have enough domestic maneuvering room to play the Soviet card in all of the areas in which it was having problems in negotiations with the United States.

The fears that we have referred to focus not so much on Argentina's potentially vacillating attitude (we will probably not take part in the Moscow Olympics and might confirm our solidarity with Washington in the case of the hostages in Tehran) but on the fact that if the U.S. hemispheric policy continues to be erratic, the USSR's influence will grow even stronger, by dint of its initial dynamism, until it eventually becomes not an option, but a necessity imposed by circumstances.

Argentina has finalized its decision regarding an in-depth "entente" with Brazil. Although, we have contended, this was secured through not always justified renunciations of some of our very clear-cut rights, new fields have certainly been opened up for economic and technological cooperation between the two largest countries in South America. But this in no way implies that we will get assurances in terms of foreign policy, inasmuch as Brazil's turnabout in regional policy and the extensive realignment of domestic power factors could soon clash with the guidelines of our own international course of conduct. Those who fear serious problems on the overseas front in the short term conjecture that with the USSR active on several bilateral fronts and with Argentina tied to a Brazil that is sliding towards a "Third World stance" both domestically and externally, it would be very difficult for our country to keep from being carried along with the tide, especially when relations with the United States are far from ideal. We cannot deny that the people who are worried about this are to some extent right.

#### Diagnosis: Touchy

While high-level contacts with Soviet officials are increasingly commonplace, relations with the United States (the post-Goodpastor and post-Smith era) are far from clear. In the first place, attorney Tom Farer's assumption of the presidency of the CIDH [Inter-American Human Rights Council] is a development of far-reaching importance in bilateral relations, inasmuch as Farer is known to have been and to be the principal and most obsessed critic of human rights violations committed by the Argentine Government. There are reports that the CIDH's final report is extraordinarily harsh and that Argentina's

responses to the charges have been practically ignored. It would be an exercise in futility to separate this problem from our bilateral relations as a whole.

Secondly, we cannot say that relations in the nuclear sphere have improved. The repercussions of Germany's virtual decision to sell us the reactor for Atocha II have been almost unanimously unfavorable in the United States, in spite of Bonn's explanations. The same can be said for the sale of the heavy water plant by a Swiss firm. The immediate upshot of this poor climate would seem to be an embargo on the sale of enriched uranium that Argentina buys in the United States for its research and irradiation reactors. The USSR has also come on the scene here and is allegedly willing to sell us the enriched uranium that the United States used to provide us, without demanding any political favors in return.

Furthermore, Argentina seems to need the increased meat and grains sales to the USSR, given, among other things, the serious falloff in overseas meat sales. In addition, we are looking at a deficit in our 1980 trade balance. In this context, the Soviet purchases are no longer an attractive business; they have become a necessity. Such developments obviously do not tend to improve relations with Washington, which has already given clear indications that it does not understand Argentina's rapprochement with the Soviet Union, albeit with the wide ideological berth proclaimed by the military government.

The visit by a delegation of American legislators for the purpose of ironing out differences and arriving at a stable nuclear agreement had the stated goal of erasing the very negative implications of the statements by Frederick Ordway, a political adviser in the U.S. Department of Energy, who said a few days before that nuclear sales to Argentina would most likely be canceled. The results of the visit by the legislators have not been made public, but based on information from Washington, there is little room for optimism.

The summoning of Argentina's ambassador in Tehran, which coincided with the virtually total breakoff of the dialog between the United States and the Iranian Government, could be interpreted as a gesture in support of the American position, with the advantage that it carries no cost to Argentina. Furthermore, there are a number of signs that we might not, after all, take part in the Moscow Olympics. We still cannot be sure to what extent these demonstrations of good will can balance the scale, but any excessive optimism would seem, for the time being at least, unwise.

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## ARGENTINA

### JOURNALISTS VIEW RELATIONS WITH USSR, U.S. PRESSURES

#### Argentina's Policy Options

Buenos Aires CONVICION in Spanish 9 Apr 80 p 1

[Article by Luis Domenianni: "Limited Purchases and Some Concessions To Keep A Balance Between Russians and Americans"]

[Text] The arrival of the sizable (from a qualitative and quantitative viewpoint) Soviet mission to discuss bilateral Soviet-Argentine economic relations maintains in the forefront of the government's global policy its ties with the superpowers.

The point is that with the economic problem under control (at least from the legislative viewpoint), political dialog and Argentina's role within the new international context of the reactivation of the cold war seem to be the major points of interest--and lengthy discussion--in the government.

Things being so, the government of Buenos Aires gives the impression of pursuing a balanced strategy without tilting definitely toward either of the two blocs--the reason why Argentina continues to be part of the group of nonaligned states.

Now then, Argentina's relations with the Soviets are witnessing their most harmonious period, only comparable to the time of the visit to the East European countries made by Jose Ber Gelbard in 1974 when he was Argentina's Minister of Economy. Ber Gelbard had also held discussions with Aleksey Manghulo, head of the present Soviet mission.

The Soviets have their participation in the construction and supply of the Middle Parana region practically assured with agreements signed for the Bahia Blanca power station, fishing, and the Salto Grande project. In light of this the Soviets have become the largest buyers of Argentine grain.

As is natural, the USSR has maximum and minimum options in its relations with Argentina. Its maximum option, fairly remote to be sure, would involve its supply of arms. Its minimum option would be to maintain flexible commercial relations with Argentina.

However, to maintain flexible commercial relations does not mean for the Soviets--or anyone for that matter--to premise trade on an enormous surplus balance for Argentina as has been the case so far. The Russians--not forgetting the power concept--do not like to lose money. Hence, their minimum option envisions the increase of Soviet sales to Argentina.

Translating the latter into the presence of the Soviet mission in Buenos Aires means buying some--perhaps 3,000 tons a month--meat but, basically, increasing Soviet participation in the Middle Parana region and their becoming involved in Yacyreta and--why not?--in the nuclear power field. It is clear that this time the Soviets are coming to sell.

On its part the Argentine Government seems to be prepared to listen sympathetically to the Soviet wishes, especially because it knows that sooner or later it will have to rebuff the Soviets somewhat to satisfy American designs in part.

And such satisfaction could easily occur sooner than later. One should not forget that besides improving the [political] climate, three special U.S. missions have not achieved anything concrete so far.

In what would that concrete something consist of? Discussions in the government are focused around two issues:

1. Nuclear field: Jimmy Carter's special envoy and expert in nuclear matters, Gerald Smith, reportedly left Buenos Aires last week with the "half promise" that Argentina would sign the Treaty of Tlatelolco regarding the denuclearization of Latin America if Brazil also did so and on condition that the United States lift its veto of the nuclear plan. In this case the success of the discussions depends on the influence which the Americans have in Brasilia and on the outcome of the efforts of Brazilian President Joao Figueiredo in his forthcoming visit to Argentina. It should be noted that many voices have been raised against that possible agreement so as not to relinquish ground won in the subcontinent.

2. Olympic Games: In government circles serious thought started to be given to the possibility of Argentina not attending the Moscow Olympics. The benefits would consist in effecting a publicized gesture that would concretely promote Argentina's relations with the United States. It is clear that the greater publicity this move receives the more painful it will be for the Soviet Union since it is a superpower. But it would hurt the USSR even more if Argentina agreed to the American request that it oust the Russians from the Middle Parana region. And they seem to be well ensconced there.

Both positions have partisans and adversaries in the Argentine Government. And so far neither side has prevailed over the other.



## Long-Standing U.S. Ties Reaffirmed

Buenos Aires CONVICCION in Spanish 10 Apr 80 p 1

[Article by Hugo Ezequiel Lemana: "When A Lion Is Drawn One Should Not Be Astonished That Someone Should Note That It Is A Lion"]

[Text] In the last few days any civilian who would have talked to members of the armed forces would have run the risk of arousing ill humor among his interlocutors if he came around to asking: "What is the situation between the Soviet Union and ourselves?" The answer invariably would have tended to demonstrate that Argentina, in the exercise of its sovereignty which no one challenges, reserves for itself the right to decide its international policies without this suggesting in any way that our position of forceful anti-Marxism be changed. But beyond conceptual clarification (Practically unnecessary because no one could think otherwise), the answer would have indicated obvious annoyance almost as if the question--by the mere fact of being asked--suggested an attitude little short of subversive on the part of the civilian.

However, the civilian citizen, removed from the power centers where things are decided on the basis of factual evaluation, does not have the means to know the other side of the story and therefore goes around making inferences on the basis of the news which is not only public but also extremely sensational. And those inferences will be erroneous with respect to the ultimate consequences but they are not so with respect to the objective grasp of known facts.

With its customary inability to conduct foreign policy, the United States called for a grain boycott against the Soviet Union tacitly involving the so-called "free world" but without Washington's prior consultation of its taking for granted a degree of docility which was much less than demanded overbearingly by a country which has perpetrated some conceited acts of hostility against Argentina. The government responded adequately and reserved for itself the right to trade according to its convenience.

President Jimmy Carter is committing a second error in calling for a boycott of the Olympic Games to be held in the Soviet Union and is making a fool of himself in not finding positive response in the "free world." A little alarmed, perhaps, by the evidence of his country's loss of influence, he tries to mitigate his setback by sending to Buenos Aires a personal emissary of the highest level as was the case of Gen Andrew Goodpaster. Then, to mitigate his tactlessness, Carter has laid the bases for a "new and more flexible understanding between the two government."

Up to now, everything occurred in classical manner with reference to the attitudes pertaining to two autonomous countries and, at that time, CONVICCION commended the maneuvers executed by both governments. But now--perhaps by chance--daily reports indicate an Argentine position concerning the Soviet Union which can be qualified cautiously as a "progressive attitude of dialog." This is beyond criticism in itself as long as the



global views of Argentina's international policy are not lost sight of. If to the fact that Argentina continues to belong to the Third World bloc--which is inexplicable to us--we add the fact of reciprocal [Soviet Argentine] visits by the military authorities, trade missions which come and go, possible talks regarding the supply of enriched uranium, our purchase of turbines, operating contracts, and all the fascinations that can emerge from feeling that one of the major powers of the world is prepared to indulge us when our closer relatives, far from indulging us, treat us with the roughness reserved to neurotic old ladies, we agree that naive and unprepared minds can conclude that we are initiating a stage of rapprochement with the USSR. Because if someone draws a lion he should not be astonished that those who look at it should in good faith call it a lion.

We believe that Argentina must protect its freedom of sovereign decision-making with all the means in its power. This means that it should not dance to the tune played by the orchestra in Washington unless it is convenient to us and we approve. However, there are very strong convictions here and too much blood has been spilled here for one to wish to follow an intensive dance to the tune of the balalaika playing.

At this time the most dangerous ones are those who feel they are too clever and who tell each other that we can secure benefits from the Soviet Union without the USSR having the least opportunity for ideological penetration in our country. Beware of these "wise guys." Beware of those who believe that there are two types of Marxists, the bad ones who explode bombs and the good ones who will give us uranium and sympathy. Russian Marxism is--as much or more than the Chinese variety--fundamentally expansive and dominating. The immense majority of the Argentine public does not need contamination, not even in exchange for dams and turbines. As is obvious neither do the armed forces, which have struggled until recently against Marxist and non-Marxist terrorists, need to have trade advantages spoil many more important and lasting things. Nor would the government, which executes the policies determined by the armed forces, be ready for negotiations that could prove to bring worse ills, but it is necessary that public opinion be correctly informed so that suspicions not be aroused.

Whether the United States or its government like us or not, they are for us as inexorable as family.

#### U.S.-Argentine Relations Seen Improving

Buenos Aires CONVICCION in Spanish 13 Apr 80 p 11

[Article by Carlos Fernandez: "The Goals Which Argentina Cannot Lose Sight of and the Mistakes of the United States"]

[Text] From the written reports produced by ambassador Gerald Smith following his visit to Argentina the decision-making levels of the White House and the State Department underscored three issues which have acquired

for Washington special importance at this time: The amounts of grain and meat which Argentina is now selling to the Soviet Union; the concern for what the reports call the "growing Soviet commercial presence"; and existing differences as regards the nuclear field.

Gerald Smith, just as Gen Andrew Goodpaster had done during his visit, expressed to the Argentine authorities his concern at the amount of grain which Argentina could end up selling to the Soviet Union. The Argentine Government's answer was the same as that given to the first envoy of President Carter. Argentina would sell grain to the USSR in line with the natural expansion of the market and without any desire to interfere with the grain boycott declared by Washington. The concern evidenced by Gerald Smith seems to have originated in some circles of the White House and the State Department which feel alarmed at the possibility that the Argentine authorities might reduce the effects of the boycott.

This is a circumstance which the Carter administration obviously did not take into account when it unilaterally decided on the boycott. That was an error which attracts one's attention most when the influential sectors of American trade and industry again come to characterize Argentina as an "agro-exporting" country.

But the American stress on the amounts of Argentine sales raises the question, taking into account the fact that the United States was establishing a complex system of international controls which do not seem so far to have achieved their expected results.

In the last analysis, Smith took back to Washington the same answer as Goodpaster.

#### Regarding Other Influences

Not long ago a more or less voluminous report reached a desk at the State Department--that was at the time when the Patricia Derian group was implementing an open plan of hostilities against the military government--noting what in the opinion of its authors there was "increasingly greater Soviet presence in the trade and energy sectors of Argentina."

In truth, besides calling attention to that presence, the report originating in Buenos Aires tried to make President Carter change some aspects of his policy regarding Argentina.

That is why perhaps that in this kind of review which the Carter administration is making of its relations with Argentina it should start to concern itself "somewhat" with the alleged "Soviet presence" to which reference is made in Washington.

It is clear that this should not hold the attention of the U.S. Government. When the Soviet Union was suffering from the consequences of maladministration and an even worse harvest in 1962, the White House authorized that

350,000 tons of hard wheat be sold to Moscow, a figure which was subsequently increased to 4 million tons--a transaction which at that time involved somewhat more than U.S. \$200 million. This was the first step in an episode which reached its peak in 1972 when the Nixon administration approved for the distressed USSR financial aid for the purchase of wheat through a \$750-million credit. Nikolay Belusov, then the head of Exportjleb, was the Soviet interlocutor who negotiated directly with the major American grain-exporting companies. And from then on the trade between those two countries smoothly until this boycott.

What is obviously attracting attention in Washington is how another super-power is trying to take advantage of American mistakes in foreign policy in order to try to secure other markets to obtain the raw materials that it lacks. And this is a consequence of mistakes in the execution of foreign policy, errors which Washington is now trying to correct with a greater flourish judging from the number of visitors and missions trying to reach agreements and ease rapprochement.

But this is one of the aspects of the matter. Another is constituted by the interest which the Soviet Union may have in Argentina and in Argentine products. This is something which must be analyzed with very great attention if one takes into account the strategy of a world power which has been developing since Moscow was a small principality in the 15th century. It is not a coincidence that the USSR is the country which has grown the most in area in the modern era. This is a fact to which one has to add the notable influence that it now exercises in strategic areas of the globe. Already with a large portion of Africa in its bands, the Atlantic Ocean and subsequently Latin America become a field with tempting raw materials which are not to be sneered at.

It is clear that these are the Soviet intentions, a factor which Argentina cannot ignore in its relations with the USSR and in the agreements that it might manage to effect. It is fundamental that for this purpose it not lose sight of the basic goals of Argentina's foreign policy and context of action--in this base by the West--which seems to confront an effort to rebuild it. Furthermore, this is a framework in which its relations with the United States are necessarily reassessed, not to follow "orders" but rather to join efforts without undermining our sovereignty.

In this dynamics and on various occasions in the process of readjustment of the international community, Argentina cannot put aside its convictions nor lose sight of its goals no matter how much it is endowing itself with commercial multipolarity.

#### Nuclear Agreements and Disagreements

After Gerald Smith's visit there were hopes in Washington that the first concrete results of that system of bilateral consultations which was inaugurated with General Goodpaster would occur. The Argentine nuclear issue which has sensitized the Carter administration appeared to be the best place to secure results in a relatively brief period. The supply of enriched uranium by the United States was thus converted into a decision-making factor.

In the last few days optimism has been dissipated. Something occurred and delayed the "concrete results." And to confuse the situation even more, the political adviser at the U.S. Department of Energy, Frederick Ordway, noted that his country was not going to provide more enriched uranium because Argentina has refused to accept safeguards relating to its use.

United States interest in reaching an agreement in the nuclear field made the chairman of the Science and Technology Committee of the U.S. House of Representatives, Clifton Metzner, visit Argentina and deny the declarations of Frederick Ordway as soon as he got off the plane. Ordway himself did something similar a few hours later.

[Representative John W.] Wydler [of the House's Science and Technology Committee] has already left Buenos Aires. And before doing so and as the culmination of his actions he asserted that "I shall urge my government that my country approve export permits for enriched uranium requested by Argentina."

Diplomatic sources noted that the line that Gerald Smith had taken in his recent mission seemed to have been resumed. They add that optimism was returning in this still fluctuating relationship between the two countries.

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REPORTAGE ON TRADE INITIATIVES WITH EAST EUROPEAN NATIONS

Desire To Revive Trade

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Mar 80 p 49

[Article by Milano Lopes: "More Trade With East Europe"]

[Text] Paris--The government is trying to regain the East European market, which 3 years ago produced a \$1 billion trade surplus for Brazil, by undertaking an offensive that will begin in late April with an official visit to Moscow by Carlos Geraldo Langoni, president of the Central Bank. This is to be followed up by opening Bank of Brazil offices in Poland, Czechoslovakia, Yugoslavia, Hungary and Bulgaria.

Although Langoni's program in Moscow is not yet entirely settled, he himself revealed to O ESTADO DE SAO PAULO that his primary intention is to talk with Soviet authorities without a fixed agenda, hoping to find points of common interest that can lead to reviving the active trade the two countries had a few years ago. Langoni will first go to Tokyo to take charge of issuing a new series of Brazilian bonds in the Japanese market and on his way back will stop over in the Soviet capital for 3 days.

Bank of Brazil Presence

According to Oswaldo Colin, president of the Bank of Brazil, who is in Europe to inaugurate an agency of the bank in Porto, Portugal, and another in Madrid, the bank's penetration of East Europe will be through Austria, taking advantage of an apparent hindrance to its installation in Vienna: Austrian law does not allow foreign banks in the country. To deal with this problem, an Austrian corporation had to be formed, with participation by the Bank of Brazil and a local company--and not simply a branch of the Bank of Brazil--although the Brazilian bank owns more than 90 percent of the stock.

Such a mechanism, furthermore, provides a point of departure for the Bank of Brazil's long-desired penetration of East Europe. The corporation has been formed, preparations are underway for physical installation of the bank and



it should be in operation by the end of this year. The Brazilian-Austrian bank will then be able to open offices in East European countries to provide special lines of credit for that region's trade with Brazil.

### Problems

Brazil's trade problems with East Europe, especially with the Soviet Union, began when Russia started pressing Brazil to buy more Soviet goods in order to reduce, if only a little, their enormous trade imbalance with Brazil, which is on the order of four to one. This pressure, unfortunately, coincided with the Brazilian government's new policy for reducing imports. As Brazil was unable to accommodate Soviet interests in this respect, the Russian response was to import less Brazilian goods starting in 1978.

The only thing the Russians have to sell that is of interest to Brazil and not on the list of restricted imports is oil, but Moscow cannot promise a regular supply because it has to meet the needs of East European communist countries and Cuba first. Besides, Soviet oil is expensive. Despite Brazil's desire to reduce risks by diversifying its petroleum sources, it has not yet been able to arrange a firm contract with Russia, a possibility that may be explored by the Central Bank president during his visit to the Soviet Union.

From the point of view of exporting Soviet industrialized goods, especially heavy equipment for large hydroelectric power plants, the easy credit terms offered are offset by a bigger problem: its insistence on selling complete "packages," while Brazil's interest is to assure increasing participation by domestic basic industry--which normally works far below capacity--in such supplies.

### One Exception

The greatest hindrance to trade with other East European countries is the difficulty in finding points of complementarity in the respective economies. The only exception is Poland, which has metallurgical coal that Brazil needs but lacks iron ore, which we have in abundance. To buy railroad equipment in Hungary, machinery in Bulgaria or cement plants in Czechoslovakia would depress basic industry in Brazil intolerably.

All these issues, as well as others no less important, relating to the system of payment for exports (fiat-money must still be used in dealing with some East European countries) and technical assistance, are a challenge to the imagination of Brazilian authorities in this effort to regain the East European market. It appears that Brazil may be willing to back down a little, maybe even resorting to increased imports, as long as it receives advantages from the Eastern countries.

The Spanish case is quite illustrative of this new and realistic Brazilian posture in the great jungle that is the international market today: in return for their suspension of the 7 percent surcharge on our coffee, we are

going to import steel and fertilizer from Spain, even though these items are not greatly needed right now.

#### Viewpoint of Hungarian Ambassador

Brasilia CORREIO BRAZILIENSE in Portuguese 5 Apr 80 p 6

[Text] Soybeans, coffee and cocoa represent over 96 percent of Brazilian exports to Hungary, it was announced by Ambassador Egon Forgacs, chief of the Hungarian representation in Brazil.

"In recent years," Ambassador Egon Forgacs added, "relations between Brazil and Hungary have developed greatly, based upon reciprocal advantages and mutual trust. As a result, in 1979 Hungarian exports to Brazil reached \$13 million, while Brazil exported \$183 million to Hungary. These imports included, besides the three products mentioned, cotton thread, boat motors, machine parts and ready-made articles."

In referring to Brazilian imports, Ambassador Egon Forgacs recalled delivery in Manaus last December of a floating crane with a 100-ton capacity. This gigantic crane, purchased by the port of Manaus, was constructed inside Hungary, descended the Danube River to the Black Sea, crossed the Bosphorus and then the Mediterranean to enter the Atlantic through the Strait of Gibraltar, being towed all the way to the river port. It was the seventh such crane sold to Brazil.

The ambassador also mentioned that laboratory equipment, bearings, powdered polyvinyl chloride, lamps and raw material for medicines have come to us from Hungary.

#### Problem

Egon Forgacs noted that the only problem in relations between the two countries is the unbalanced trade, with a large surplus for Brazil. "For our part," the ambassador continued, "we hope to be able to reduce the deficit without also reducing the total volume of trade. Our opinion is that this trade must grow."

#### Cooperation

A new element is emerging in Brazil-Hungary trade relations: cooperation between enterprises of the two countries, not only in bilateral terms but in relation to other markets. As an example, Egon Forgacs cited the project to construct a lamp factory in Brazil in cooperation with Hungarian firms and the plan to build a hospital in Nigeria by Brazilian and Hungarian companies.

"Last year," he recalled, "a new agreement for trade and payments was signed, as well as another for cooperation between the National Confederation of Industries of Brazil and the Hungarian Chamber of Commerce. In

January of this year, through an exchange of notes, another agreement was reached to permit Hungarian trade offices to open in Rio de Janeiro and Sao Paulo. During the second half of this year the Hungary-Brazil Joint Commission will meet in Budapest.

#### Cultural Activities

"Although there is no cultural agreement between Brazil and Hungary," said Ambassador Forgacs, "our cultural relations are active. In 1979 two Brazilian dance troupes appeared in Hungary and this year the Hungarian National Folklore Ensemble will visit Brazil. Furthermore, the Hungarian cinema has been represented among films seen in Rio de Janeiro and Sao Paulo and in the second half of this year we intend to organize an exhibition of the Hungarian cinema here in Brazil."

Egon Forgacs also announced, "with pleasure," publication in Portuguese of an anthology of the major Hungarian poet Endre Ady, as well as the imminent publication of a Brazilian translation of the leading work in Hungarian literature, "The Tragedy of Man," a drama by Imre Madach, already translated into 31 languages.

#### Vital Issue

"The Hungarian people," said Ambassador Forgacs, "have lived for over a millennium in their present homeland in the heart of Europe. Because of its geographic location it has always been afflicted by wars and our history is marked by long periods of oppression and by struggles for liberation. The last two wars decimated our people and on 4 April 1945 the last Nazi soldier left Hungarian soil. This date, therefore, has great significance for us and we revere it as a national holiday. The last 35 years have been the longest period of peace in secular Hungarian history; at the price of great effort and sacrifice, we have been able to transform a ruined country into a country with developed industry and agriculture. The people's greatest wealth is their creative force, as our country does not have great reserves of energy or raw materials.

"Free trade among nations is a vital issue for us," he said, concluding the interview by pointing out: "This is because over half our national income comes from foreign trade. Hence, we will make every effort for 'detente' to be maintained and cultural interchange to continue growing, since all this is extremely important to the Hungarian people."

#### Heavy Equipment From GDR

Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 Apr 80 p 18

[Text] Brasilia--The German Democratic Republic--East Germany--has submitted a letter of intent to the Transport Ministry offering to sell heavy equipment for the port and railway sectors, including electric trains and cranes. Sale of such equipment would be made through the barter system within the trade agreement between Brazil and the GDR.

The offer is not yet a formal proposal, but is being studied by the ministry because there is a possibility of the purchase being made, particularly in the case of heavy-duty cranes not yet made by Brazilian industry, a sector in which the GDR has technological mastery.

A ministry source explained that acquisition of electric trains from the GDR is less likely to be made in that the Transport Ministry is already placing orders with Brazilian industry, which is able to meet its needs in that sector. He noted, however, that if these negotiations fall through Brazil will have another option for acquiring such equipment.

He also said that the GDR is a traditional supplier of equipment to Brazil, which has a trade surplus with that country. The GDR could benefit from such a position by transacting bilateral trade through the barter or "fiat-money" system.

Before the end of this month a GDR commercial mission will come to Brazil to learn about the present condition of Brazilian ports and other economic sectors and to meet with Brazilian government authorities to conduct business in that sector.

#### Negotiations With Romania

Rio de Janeiro O GLOBO in Portuguese 4 Apr 80 p 14

[Text] Brasilia--Brazil may install a soybean processing plant in Romania as part of the negotiations for increasing trade between the two countries that will begin Monday in Itamaraty [Foreign Relations Ministry].

Romania, in turn, may develop forms of cooperation with Brazil in the energy sector, primarily sales of fuel oil and petroleum-exploration equipment.

The proposals for increasing bilateral trade will be included in discussions already on the agenda for the fifth meeting of the Brazil-Romania Joint Commission, which will be presided over by the secretary general of Itamaraty, Ambassador Baena Soares, and the Romanian secretary of state for international trade, Alexandre Margaritescu.

#### The Agreement

This discussion may result in signing agreements between Brazilian state and private enterprises and the Romanian corporations for import and export. The second matter on the agenda agreed to by the two governments concerns importing fertilizer from Romania in exchange for exports of agricultural products.

The third topic relates to energy. Romania is the second largest oil producer in East Europe--after the Soviet Union--although it consumes its production domestically. But it has an acknowledged store of experience in equipment for oil and mineral exploration. There is a possibility that Brazil will expand its imports of Romanian fuel oil.



The fourth item under discussion is to inaugurate a new type of cooperation between the two countries in steel making and chemicals. Both Brazil and Romania have developed steel industries, so there is a chance for advantageous interchange. In the chemotherapy sector Romania, following Bulgaria's example, may sell medicine to Brazil.

Finally, Itamaraty and the Romanian government representatives will negotiate construction of a soybean processing plant in Romania, also preparing the way for an increase in exports of primary products.

Brazil-Romania trade reached a peak in 1976 (\$116.6 million) and declined to \$63.6 million in 1978. Beginning last year, a policy of rapprochement--including the visit by Mines and Energy Minister Cesar Cals to Bucharest--led to a renewed increase in trade volume. There is now a climate for significant business dealing and a government orientation, through CONCEX [National Council on Foreign Trade], to grant priority to trade with East European countries because of their capacity to respond to trade incentives.

#### Romanian Official in Brasilia

Rio de Janeiro O GLOBO in Portuguese 8 Apr 80 p 21

[Text] Brasilia--Foreign Relations Minister Saraiva Guerreiro will meet today with the Romanian state secretary for international cooperation, Alexandre Margaritescu, who is in Brazil heading a delegation that will negotiate with Itamaraty expansion of bilateral trade.

Margaritescu will discuss with Chancellor Guerreiro the five major topics being analyzed by the Brazil-Romania Joint Commission--which began meeting yesterday and will continue through 10 April--that are considered fundamental for developing trade between the two countries.

The five topics included in Romanian-Brazilian talks are the following: interaction between Brazilian private enterprise and Romanian state corporations; importing fertilizer in exchange for Brazilian primary products; expansion of cooperation in the energy sector through importing fuel oil and equipment for oil and mineral extraction made in Romania; establishing cooperation in the chemical and steel sectors; installation of a soybean processing plant by Brazil in Romania.

Brazil-Romania trade was \$97 million last year, of which \$51 million represented Brazilian exports.

#### Trade With Yugoslavia 'Symbolic'

Rio de Janeiro O GLOBO in Portuguese 16 Apr 80 p 25

[Text] Yugoslavia Finance Minister Petar Kostic told O GLOBO yesterday that one of the best ways to stimulate trade with Brazil would be to form joint ventures for selling products to other countries.



With this in mind, he talked with Planning Minister Delfim Netto, to arrange for a survey of sectors suitable for joint ventures. Petar Kostic called trade between the two countries "symbolic," since it amounted to only \$20 million last year. Of this total, Brazilian imports were less than \$2 million, causing a huge imbalance in bilateral trade.

#### Possibilities

Heading the mission from his country that came to Rio de Janeiro to take part in the annual meeting of the Interamerican Development Bank (IDB), the Yugoslav finance minister said he decided to use his visit as an opportunity for promoting relations with Brazil.

"We must stop thinking only about coffee. There are other Brazilian products we can buy and there is a very extensive list of agricultural products."

#### Inflation

Asked how Yugoslavia has been affected by world inflation, the finance minister asserted he does not accept the argument that it merely results from higher oil prices.

"Inflation is induced by much more deep-rooted causes. The solution would be establishment of a new economic order."

He said that inflation can be eliminated by restructuring the economy, reducing production, raising productivity, raising the competitive capacity of national economies in relation to other countries; and reducing public expenditures, with a consequent reduction of domestic costs.

#### Coal Mining Technology From Poland

Rio de Janeiro O GLOBO in Portuguese 15 Apr 80 p 18

[Text] London--Mines and Energy Minister Cesar Cals arrived in London Sunday and left yesterday for Poland, where he will negotiate an agreement on equipment and technology to improve coalmining productivity in Brazil.

The objective is to raise production from the current level of 5 million tons of coal per year to 27 million tons in 1985, which is equivalent to 170,000 barrels of petroleum per day. He explained that Brazil had a \$200 million trade surplus with Poland in 1979, which will be used in this coal agreement. He is also going to arrange for technology in other mining sectors such as copper, zinc, lead, potassium and sulfur.

The mines and energy minister said his trip is unrelated to any petroleum negotiations. According to Cals, by 1985 Brazil will be producing the equivalent of 1 million barrels of petroleum [daily?] using other energy sources: 170,000 from alcohol, 170,000 from coal, 25,000 from shale, 15,000

from miscellaneous sources, 500,000 from domestic petroleum and 120,000 from wood. But the minister himself admitted that perhaps these goals are too optimistic, especially in regard to using wood.

#### Iron Ore for Poland

Rio de Janeiro O GLOBO in Portuguese 19 Apr 80 p 19

[Text] Brasilia--Between now and 1990 Brazil will export 37 million tons of iron ore to Poland, an average of 3.7 million tons a year. Iron ore exports to Poland this year will be 2.5 [?] million tons.

The volume of iron ore sales to Poland was arranged in Warsaw yesterday through an agreement for trade cooperation signed between Mines and Energy Minister Cesar Cals and the Polish government. Minister Cals' office in Brasilia made the announcement yesterday.

The agreement for trade and technological cooperation signed between Brazil and Poland provides that Poland will export about \$200 million in equipment and technical assistance for research and production of coal in the states of Santa Catarina and Rio Grande do Sul.

The Mines and Energy Ministry announced that the Polish government will soon send to Brazil a delegation of planning experts in coal mining "to diagnose present methods of mining coal in Brazil."

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# CROP FORECASTS INDICATE SOYBEAN EXPORTS TO RISE 51 PERCENT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Mar 80 p 15

[Text] Brasilia--Brazil should derive \$2.998 billion this year from exporting agricultural products included in the minimum-price program, of which soybeans alone will contribute \$2.478 billion, which would be 51 percent more than in 1979, when soybean exports were worth \$1.644 billion.

Important export products such as coffee, sugar, cocoa, corn, rice and tobacco are not included in this total, which is forecast by the Production Financing Commission [CFP], an agency of the Agriculture Ministry. Of the 10,391,000 tons it includes, the soybean complex will export 7,133,000 tons of meal, 7,660,000 [as published; 1,660,000?] tons of beans and 980,000 tons of oil.

## Safety Margin

The CFP forecast is made with a safety margin between a minimum and a maximum volume. Thus, computing some major products affected by the policy of guaranteed minimum prices, at the lower end of the range, Brazil should produce 74,650,000 tons of agricultural products.

Of this total, at the lower end of the safety margin, 47,910,000 tons are grains. Including wheat (which does not come under the minimum-price policy), this figure could reach 50,910,000 tons. At the upper end of the safety margin, the volume of major products comes to 77,805,000 tons, including 49,970,000 tons of grains; adding 3 million tons of wheat, the total is 52,970,000 tons of grains--a figure which could be met by the 1980 harvest.

Assuming the government buys all production through the guaranteed minimum price policy, at the lower end of the estimated range it would spend 322.887 billion cruzeiros, plus 35.520 billion cruzeiros to purchase 3 million tons of wheat, the stipulated purchase price of which is 710.40 cruzeiros per ton [as published; per 60-kg sack?].

Should the government not buy anything--which is just as unlikely as its buying everything--and middlemen buy everything, the production estimated above would be worth 390.500 billion to 410.485 billion cruzeiros.

Of the products taken into consideration, it is not known how much area will be planted to cotton, dryland beans, castor beans, silk cocoons, raw sisal fiber, sorghum and wheat. The others--irrigated and dryland peanuts, irrigated beans, raw jute and mallow, manioc root, corn, ramie and soybeans--will have a planted area between 31,208,400 and 31,959,900 hectares.

#### Estimated Exports, 1980

Product	Quantity (thousands of tons)	Value (thousands of dollars)
Raw Cotton	50.0	77,150
Peanuts	30.0	19,500
Peanut Oil	90.0	63,000
Peanut Meal	85.0	14,450
Castor Oil	140.0	126,000
Sisal Fiber	75.0	52,500
Sisal Baler Twine	95.0	76,000
Soybeans	1,660.0	434,920
Soybean Oil	980.0	531,160
Soybean Meal	7,133.0	1,512,196
Silk Cocoons	0.912	31,902
Ramie (Combed, Thread, Fabric)	10.5	52,500
Manioc Starch	10.0	2,500
Manioc Meal/Chips	32.0	4,800

Source: CFP

#### Thirteen Products Will Give Sao Paulo 14.5 Million Tons

Sao Paulo--For the 1979-80 crop year, the 13 major agricultural products of this state are planted in an area of 3.2 million hectares and a harvest of 14.5 million tons is expected, according to the forecast and crop estimate made by the Survey and Statistical Analysis Division of the Agriculture Secretariat's Agricultural Economy Institute [IEA].

The survey, completed last November, is the second of a total of five surveys of the coming harvest to be made by the IEA. It includes data based upon planting intentions last September. The next survey, including actual crop data, will be published 1 April.

Gross receipts for the 1979-80 Sao Paulo harvest will be reported beginning in June, when the IEA will have completed a sampling of agricultural-products marketing. Receipts for the 1978-79 harvest were 138.6 billion cruzeiros, which is 71.3 percent more than the 1977-78 harvest receipts.

Agriculture Secretary Guilherme Afif said there are no worries about storing and shipping the Sao Paulo harvest. He explained that Sao Paulo is the state that has the least of such problems, in view of its existing infrastructure. According to the secretary, the problem faced in previous harvests, the poor condition of some local highways, is already being worked on this year, with the aid of BNDE [National Economic Development Bank] funds to take care of some bottlenecks.

Coffee, considered the kingpin of Sao Paulo agriculture, was not included in the latest IEA survey because the 1979-80 crop was just beginning to bloom. Its harvest will not begin until the end of May. In the previous crop year, 1,014,700 hectares were planted to coffee and the processed product had a volume of 508,800 tons.

Product	Area (thousands of hectares)		Production (thousands of tons)	
	1978-79	1979-80	1978-79	1979-80
	Final	[Interim]	Final	[Interim]
Unginned cotton	283.6	258.2	507.3	411.6
Irrigated peanuts	119.4	143.2	221.8	305.0
Unhulled rice	300.4	314.0	307.8	373.5
Bananas	37.8	38.5	614.1	676.3
Irrigated potatoes	13.0	12.1	211.2	196.8
Forage cane	70.3	54.3	2,851.0	2,217.0
Irrigated beans	172.1	196.1	116.9	154.2
Oranges	516.4	531.1	6,181.2	6,577.0
Castor beans	20.3	21.2	23.2	26.9
Corn	1,054.5	1,092.8	2,277.0	2,376.4
Soybeans	535.8	561.2	848.4	969.1
Table grapes	8.5	8.7	132.5	135.1
Industrial grapes	1.5	1.6	17.3	18.0

#### Parana Estimates 10 Percent Crop Increase

Curitiba--Parana Agriculture Secretary Reinhold Stephanes does not consider the Brazilian production of 52 million tons of grain, which surpassed the 1976-77 record of 46.2 million tons, a "superharvest." He admits that it is a "good crop," but remarks that "discounting the last two disappointing crops, there was a growth of no more than 10 percent in agricultural production."

He acknowledges that such growth "does not fail to be, in any event, an exceptional performance," but he attributes it, in large part, to the significant Parana production of 15 million tons of grain, which, to the state, means only the "natural response of its productive potential." He warns that the new record should not be viewed with euphoria, since it is only the first harvest since 1976-77 favored by normal climatic conditions.



Of the so-called Brazilian "superharvest," Parana produced 5.5 million tons (35 percent) of the 15 million tons of soybeans; 1,650 million tons (59 percent) of the 3 million tons of wheat; 5.5 million tons (26 percent) of the 21 million tons of corn. The state also produced 555,000 tons of cotton and over 100,000 of the 200,000 additional tons produced during the dry season. Domestic production of 2.4 million tons of beans will make imports unnecessary in 1980, according to Agriculture Minister Amauri Stabile.

After remarking that the growth rate of Parana agriculture, 6 percent per year, is the highest in the land (with the exception of Mato Grosso do Sul, which is starting from a zero base), the agriculture secretary asserted that the infrastructure has kept pace with this growth rate, so that the state's current storage capacity is 12,506,000 tons. As all the 15 million tons that Parana is producing are neither harvested nor stored during the same season, but according to the life cycle of the various products, Reinhold Stephanes does not expect any problems with storing this harvest.

Municipal highways meet the needs for transporting agricultural production from rural properties to marketing centers in the cities, and the state and federal highways provide access to export and industrialization centers. With limited resources, the local governments can only resurface major highways with gravel. This type of paving, together with the precarious condition of the rudimentary bridges that serve those highways, make shipment of products from farms to cities as uncertain as the weather.

In Cascavel, the municipality that produces the most soybeans in the state, for example, Mayor Assis Gurgacz had to declare a "state of emergency" and ask the government for 11.5 million cruzeiros to repair 109 culverts and 74 bridges destroyed by rains 1 month ago. Erosion has also contributed to making over 60 percent of the 5,200 kilometers of municipal highways impassable, jeopardizing shipment of the 270,000 tons of soybeans produced there.

The Parana agriculture secretary must also contend with bottlenecks that are sure to develop in the port of Paranagua, where the traditional waiting lines of trucks will probably be even longer than in previous years. This is largely because the 700,000 tons produced by Paraguay will have to be exported via Paranagua at the same time as the 5.5 million tons that Parana produces, which will require a large part of the state's 17,000 available trucks.

The 13-percent export tax on soybeans could also represent an obstacle in handling the harvest. Together with the low international price, it results in a price to the producer that is less than the minimum price of 440 cruzeiros a sack set by the government, according to the director general of the Agriculture Secretariat, Eugenio Stefanello. Demonstrating the negative effect of the tax on exports, the president of OCEPAR (Organization of Cooperatives of the State of Parana), Benjamin Hammerschmidt, reports that "so far we have been able to sell only one-third of the 600,000 tons we exported by 28 February 1979." If this causes shipping delays, there may not be enough storage space for corn and beans in some regions, Mr Eugenio Stefanello admits.

## 'GROUP OF 24' SEES CONSOLIDATION OF REGIME'S HARD LINE

Santiago HOY in Spanish 9-15 Apr 80 pp 13-14

[Unsigned article: "The Civilian Alternative"]

[Text] As a result of the president's thwarted visit to the Philippines, the "political nation" has embarked upon one of its most stormy periods. However, to other sectors (the "real nation") the backlash from the failure is of more relative significance. For example, the Constitutional Studies Group, the "Group of 24," still thinks that the fact that there is in the country "an autocracy which is striving to become consolidated and to project itself indefinitely" is more paramount.

And on Saturday, 29 March, the head of the group, Manuel Sanhueza, ended a seminar held in Concepcion, in University parish, with a warning in this regard.

Sanhueza said: "We must not let ourselves be deceived; the process of sectorial institutionalization being carried out by the government is consolidating the plutocratic autocracy and perpetuating it indefinitely. This indirect, substitute device is being used, while distracting us by telling us that the people will decide on matters relating to the Constitution."

The "Group of 24's" leadership committee (which includes, besides Sanhueza, Patricio Aylwin, Julio Subercaseaux, Edgardo Boeninger, Hugo Pereira, Eduardo Jara, Jorge Molina, Francisco Cumplido, Ignacio Balbontin and Jorge Correa) explained to HOY that these intentions "become obvious" when one considers the measures adopted in recent weeks, and realizes the virtual reestablishment of martial law, dismissals in the universities and banishments.

Even before the forced departure of former Foreign Minister Hernan Cubillos, the "Group of 24" was convinced that the government had opted for a hard line. And, although the group believes in the existence of "advocates of openness," it does not trust the power of its convictions. Edgardo Boeninger stresses: "If there were really a sector favoring democracy within the government, its members should have expressed their dissatisfaction with and opposition to the recent measures."

According to former Senator Patricio Aylwin, over and above the battle between "hard-liners" and "advocates of openness," the fact is that "the present rulers have become fond of power, and do not want to give it up, whatever the process that is followed may be."

#### Smokescreen

Recently, the proponents of the regime have insisted that there is no alternative to the government's initiatives. Gen Fernando Matthei cited the need to create an alternative, because "if there is none, the president cannot leave the government and expose the country to chaos and anarchy."

Such statements cause annoyance among the members of the "Group of 24." They explain categorically that they have worked hard on the preparation of a consistent set of proposals which constitute a democratic alternative, "the only and perhaps the last chance (Sanhueza emphasizes) of restoring actual democracy in peace."

Boeninger says: "For that very reason we are being attacked harshly, and a smokescreen has been raised designed to prevent our proposals from becoming known."

#### Conflict

Attorney Jorge Molina explained to HOY that the group took its concepts of political and public liberties from liberal democracy, but supplemented these proposals so as to prepare a model capable of resolving the society's conflicts.

Hugo Pereira added: "Chaos must not be confused with conflict; in a healthy society, conflict is something normal. Whereas the authoritarian notions refuse conflict, and therefore refuse change, the democratic notions accept it, channel it and resolve it peacefully.

In this connection, according to Aylwin, "To attempt to refuse conflict and prevent chaos with force and repression is bread for today and hunger for tomorrow; because all that is achieved is an ostensible peace, which polarizes the society and increases pressure until the conflict breaks out violently."

It is precisely this different way of analyzing and dealing with the problems of the society which (in the opinion of the "Group of 24") makes their democratic plan viable and makes the plans proposed by the government unfeasible.

#### Political Parties

As part of the alternative devised by the group, democracy is only possible so long as there are political parties in existence which compete for alternate status in the government.

Manuel Sanhueza remarks: "The parties are the organizations which have an overall view of the society and which, therefore, can associate the social demands with the general interests, and not partial interests, such as the trade unions would be, for example."

Last January, the "Group of 24" announced its proposals concerning the role of political parties, and expressed opposition to the crime of holding an opinion and to the a priori exclusion of ideas, accepting (consequently) the participation of the Marxist parties in political activity.

At the time, they were accused of being naive, and it was claimed that they had been infiltrated. But, despite the attacks, the group's leadership committee reiterated its positions to HOY: Democracy can be forestalled by sanctioning only undemocratic conduct. Boeninger gives the reminder: "History has proven that ideologies cannot be suppressed with either decrees or persecution."

In view of the public's apparent indifference to the institutionalization process, the "Group of 24" is convinced that Chileans want to return to democracy.

Manuel Sanhueza comments: "The fact is that the regime is not allowing public opinion to be expressed; but we must not mistake fear for indifference."

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# ANALYSIS OF ECONOMIC GROWTH PREDICTED FOR 1980-86

Santiago ERCILLA in Spanish 9-15 Apr 80 pp 15-18

[Unsigned article: "A Silent Revolution"]

[Text] "Making Chile a great nation" is not far from becoming a reality. The 8.6, 7.8 and 8.5 percent growth in the product during the past 3 years appears to indicate that the country has finally succeeded in breaking the bonds so as to begin the process of growing.

But the path on which Chile will actually become converted into a great nation is still long and poses several questions. Is there a real awareness of the country's potential in this respect? How much can our economy grow? In what period of time will it be possible to recover the relative status which Chile had several decades ago on the international level, with regard to standard of living?

The issue is a disturbing one and, in the opinion of the experts, it has become the main core of the present and future economic debate. A few days ago, it was the recurring theme at the Fourth Session of Studies (1980) of the Foundation of the Catholic University's School of Economic Sciences, in which Sergio de la Cuadra, vice-president of the Central Bank; Jorge Cauas, former finance minister and current president of the Bank of Santiago; Miguel Kast, minister-director of ODEPLAN [National Planning Office]; and Jose Pinera, minister of labor and social security, participated.

## Growth and Redistribution

In a first approach to the debate, ERCILLA is presenting some basic, general notions; and in future editions it will engage in an analysis of the growth, and its social, political and economic implications.

As has been proven in the implementation of the process, the present government has grasped in all its magnitude the importance attached to economic growth; and, consequently, it has geared the sectorial policies to enabling economic activity to proceed freely and dynamically. It has been emphasized



that growth, combined with effective social action, will make it possible to eliminate extreme poverty, and thus recover the ground lost in terms of the living standard of every Chilean.

Converting Chile into a developed country would, according to the government's basic principles, necessarily entail guaranteeing each individual a minimal living standard and equality of opportunity in the broad sense. Then the goal of "having no poor people" would be attained gradually, through a combination of policies that would insure certain conditions for making the economy grow as rapidly as possible (thanks mainly to the aggressiveness of the private sector), and, at the same time, allow for an intelligent redistribution of the larger product.

One of the main criticisms received by the current system relates precisely to the fact that, as a result of a larger growth in the product, the redistribution of income has been neglected. In this regard, Minister Pinera himself stated some time ago in an interview that, "Modern economic science has established that it is possible to reconcile both goals, but only if the proper instruments are used." Pinera reiterated this same statement at the study session, agreeing with the rest of the speakers, who stressed the importance of accelerated growth as a means of achieving social justice.

#### Chile: a Wealthy Country

Although some maintain that the rate of growth attained thus far may have reached its maximum limit, there is consensus among various studies that, during the next few years, the Chilean product will grow at rates far in excess of the traditional ones. For example, it is postulated that the future rate will fluctuate between 8 and 10 percent per year; which would mean doubling the per capita income of Chileans in approximately 10 years, a claim that has been supported by Minister De Castro himself in a recent address.

The leap which occurred in the rate of growth has unquestionably been great, and the first explanation for it lies in the improper use made of the resources available to the country for a period of over 30 years. A great deal has been written about the erroneous economic policies which caused stagnation and which did not allow Chile to benefit from its wealth in the form of both natural resources and human capital. Those who point out how difficult it would be for any economic group to make so many mistakes simultaneously are not altogether incorrect.

In any event, the consequences are evident: Between 1960 and 1976, the per capita income increased at an average annual rate of under 1 percent; whereas that of the countries with medium-sized income (as graded by the World Bank) was increased by 2.8 percent. In comparison with this, nations which were greatly receptive to foreign trade increased their per capita income at rates close to 7 percent per year. This is the lost ground which Chileans must recover.

The authorities are optimistic in this respect:

During his address at the UC [Catholic University] session, Pinera declared: "Chile is a nation rich in natural resources, people and opportunities; a nation with virtually unexploited frontiers. All that it needs is the aggressiveness of a free, open economy, combined with political stability, to project it toward progress. The 1980's will see the most remarkable economic boom in our history."

Since it has plentiful natural resources and an under-utilized human element, the capital factor should not limit the possibilities for growth, provided (as Jorge Cauas put it) there is a continued application of "the market principles in an economy receptive to international trade and capital."

According to the experts, having the product grow at rates of between 8 and 10 percent per year means that the requirements for investment, and hence its financing sources, must show a favorable trend, as demonstrated on Table No 1.

During his remarks at the aforementioned seminar, Jorge Cauas also stressed the conduct of the various sectors with regard to their future investment capacity.

There are impressive figures in this respect. For example, as shown in Table No 2, the investments in the housing sector will make it possible to increase construction from 35,000 dwellings in 1979 to nearly 112,000 in 1986.

Similarly, in order to give an idea of what a growth of between 8 and 10 percent per year will mean, Table No 3 offers a projection of the supply of automobiles for private use, which presupposes the tariff reduction scheduled for large vehicles. According to this table, in 1986 Chile would have 12.4 automobiles for every 100 inhabitants, a figure slightly lower than that for Spain and somewhat higher than that for Argentina, both computed as of the end of 1976.

#### Requirements for Growth

On the long path that remains to be traversed, four requirements have been cited as basic for achieving the anticipated growth rates.

**Free economy.** Both Cauas and De la Cuadra, Kast and Pinera agreed that the conditions required for attaining those steady growth rates are essentially related to the maintenance of a type of economic policy which upholds the principles of the market and of opening the economy to the flow of foreign trade and financing.

**Political stability.** Miguel Kast was emphatic in stating that there must be sufficient political stability and order to enable the economic agents to project their action over the long term.

Entrepreneurial state versus subsidiary state. Much has been accomplished in the area of economic policy but, according to informed opinion, there is still a series of obstacles which could curtail Chile's potential for growth if they are not eliminated promptly.

In this connection, Cauas cited the need for clearly defining the activities incumbent on the state, and for adjusting the criteria for making decisions on investments in that area.

Reaffirming the foregoing notions, Kast stated that, "Based upon the principle of subsidiary status, it is incumbent on the state to assume directly only those functions which the intermediate or private companies are not in a position to discharge properly...." He concluded that the state should participate as little as possible in the productive sectors (wherein the private costs and profits are virtually equivalent to the public ones), so as therefore to concentrate on its social work, the priority goal of which is to eliminate extreme poverty through social expenditure and investment. With regard to the entrepreneurial state, Kast claimed that, rather than reinforcing private investment, it drives the latter away: "It is impossible to compete against the government check."

As for Cauas, he indicated "the need for seeing to it, through the rate and structure of the tax system, that the relative size of the public sector does not exceed the dimensions that will guarantee optimal social benefit," from the standpoint of not stifling the productive sector. The statistics in this regard are clearcut: Government spending for 1980 will total nearly \$6 billion, representing the highest rate with respect to product in recent decades, with the exception of the period between 1971 and 1973. On the other hand, over 70 percent of the holdings of the 100 largest Chilean companies is still in the government's hands. However, according to Pinera, "the seven modernizations" promised by President Pinochet would help to "make a great leap forward."

He said: "They constitute an essential requirement for making a modern nation, and represent a crucial phase in this genuine silent revolution that is occurring in Chile. The seven modernizations are intended to introduce leeway for personal freedom unknown to Chileans, to contribute to the necessary equalization of opportunity, to dynamize economic development, to attach value to the voice of the experts in the preeminently technical decisions made by the governments: in short, to convert Chile into a country wherein reason prevails over prejudice and dogmatism, and wherein individual freedom is a general rule and government intervention is the exception."

The modernizations would only bolster the freedom of the people. The labor plan, the social security reform, the educational directive, the health reform, the judicial modernization, the agricultural reorganization, by strengthening private ownership in the rural area, and finally, the administrative reform, by streamlining the public sector, and making possible a reduction in its size, "which oppresses all Chileans with its heavy weight."

Open capital market. With respect to the sources of financing for private investment, Sergio De la Cuadra claimed that a total liberation of the financial market would be attained. This "will be achieved when the external interest rate, plus a certain differential, explained by various factors, becomes equivalent to the internal interest rate."

He also claimed that, as this entry of external capital serves to finance profitable projects, "no one should be concerned about the level that the debt reaches in the future." The vice-president of the Central Bank made it clear that the amount of the external private debt would not be regulated directly, because it will be agreed upon freely by mutual accord between the economic agents involved.

Finally, and thanks to the availability of resources and the groundrules that are in effect, the country will be able to attain living standards which were never anticipated before, much less achieved. Thanks to the greater individual freedom introduced by the present economic system, and the seven modernizations promised by Pinochet, we can now look to the future with optimism.

Table No 1. Macroeconomic Projection, 1980-86

Figures in millions of 1979 U.S.\$

	1979*	1980	1981	1982	1983	1984	1985	1986	Value 1986 Value 1979
1. Gross national product (GNP)	19,794	21,556	23,711	26,082	28,691	31,560	34,716	38,187	1.93
2. Annual percentage variation	8.5%	8.9%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
3. Fixed capital investment rate	14.2%	15.5%	17.5%	19.0%	20.0%	21.0%	22.0%	22.0%	
4. Sum of investment	2,811	3,341	4,149	4,956	5,738	6,628	7,638	8,401	2.99
5. Annual percentage variation		18.9%	24.2%	19.5%	15.8%	15.5%	15.2%	10.0%	
6. Rate of internal savings	12.7%	13.0%	14.0%	15.0%	16.0%	17.0%	18.0%	18.0%	
7. Sum of internal savings	2,516	2,802	3,320	3,912	4,591	5,365	6,249	6,874	2.73
8. Annual percentage variation		11.4%	18.5%	17.8%	17.4%	16.9%	16.5%	10.0%	
9. Necessary external savings**	295	539	829	1,044	1,147	1,263	1,389	1,527	5.18
10. Annual percentage variation		82.7%	53.8%	25.9%	9.9%	10.1%	10.0%	9.9%	

Notes:

\* The figures for 1979 are real.

\*\* External savings = deficit balance of goods and services (excluding financial services)



Table No 2. Estimate of Investment in the Housing Sector\*

Year	Housing supply at end of each year (unit = 60 square meter house)	Construction	
		In units	Value (in thousands of 1979 U.S.\$)
1979	1,518,119	35,175	422,100
1980	1,580,828	77,890	934,680
1981	1,654,198	89,178	1,070,136
1982	1,730,974	93,318	1,119,816
1983	1,811,312	97,648	1,171,776
1984	1,895,380	102,181	1,226,172
1985	1,983,349	106,923	1,283,076
1986	2,075,401	111,885	1,342,620
Total:		757,386	8,570,376

\* This estimate presupposes an interest rate similar to the international one; so long as the latter remains higher, the actual levels will be lower. It is likely that, in 1980, we are overestimating the actual construction. We expect to reach the figures projected in this table in 1981.

Table No 3. Projection of Automobile Supply

Years	Automobile supply in real units at end of each year	Autos per capita/ 100 inhabitants	New autos entering	Total spending on autos at domestic market prices (in millions of 1979 U.S.\$)	
					Total
1977	249,594*	-	-	-	-
1978	326,914*	3.0	39,606		417
1979	369,552	3.4	49,924		518
1980	435,178	3.9	72,912		555
1981	515,970	4.6	98,078		703
1982	632,043	5.4	113,359		822
1983	774,308	6.5	149,552		1,043
1984	987,231	8.2	220,209		1,416
1985	1,235,616	10.1	255,671		1,542
1986	1,555,041	12.4	326,711		1,856

\* Actual figures

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LABOR LEADERS CRITICIZE UNFAIR ECONOMIC POLICIES

Santiago HOY in Spanish 16-22 Apr 80 pp 24-28

[Interviews with Tucapel Jimenez, head of the National Association of Government Employees (ANEP), and Federico Mujica, head of the Chilean Confederation of Private Sector Employees (CEPCH); the former on 8 March 1980; place not given]

[Text] Despite the fact that several government officials have warned them to withdraw from the trade union area (considering them to be "old cranks"), last week two long-standing leaders called the nation's attention to matters which are upsetting the workers.

Tucapel Jimenez, head of the National Association of Government Employees, disclosed, on 8 March, the concerns of the 100,000 members of that entity and, in general, of the 300,000 persons engaged in public administration: layoffs, low salaries and the future of old-age pensions.

Federico Mujica, head of the Chilean Confederation of Private Sector Employees (see following interview) which, he claims, has 90,000 members, commented on the issues discussed (between 4 and 6 April) at a national consultative meeting: the Labor Plan, collective bargaining and pension reform.

HOY conversed with them to learn their views on the economic and trade union situation, although they also entered upon other areas. In both instances, the criticism was very harsh. But they say that they are not afraid of being disqualified for being "old cranks." Jimenez explained:

"That proves that we control the ball, and know how to make a shot. On the other hand, there are many young people who are bewildered and tempted when they have the ball in their possession."

Tucapel Jimenez is a man experienced in the trade union playing field, although he arrived there as a result of his interest in sports. He explains: "In 1951, they elected me sports director. But, when I found that the players did not even have equipment for playing, because of their low salaries,

I started in the social area." At the age of 58 (married, with three children), he has been head of the ANEF since 1963.

[Question] How would you describe the economic status of the workers in the public sector?

[Answer] The situation at the present time is worse than the Rancagua disaster. The government worker does not have purchasing power, and the little that he earns is to survive; because 80 percent are between grades 19 and 31 on the Single Wage Scale, and their earnings range from 3,694 to 7,140 pesos.

[Question] But are they better or worse than 6 and a half years ago?

[Answer] It has become increasingly difficult to live. In the past, one worked with problems, but he had affection for the institution. Now, one works because he has to bring money home, but the T-shirt has been abandoned for some time. We have called upon the authorities to make an inspection at the public employees' lunch-time. They would see what the food of the middle class is like: Many eat nothing, and others only drink a cup of tea to deceive their insides. I am amazed at them, and now I understand why malnutrition has increased so much in families.

[Question] The authorities claim that malnutrition in children is less common now than it was several years ago....

[Answer] Of course, it has dropped just as the cost of living has dropped. But it is not so. The kids are undernourished because the breakfasts and lunches that used to be provided by the National School Assistance and Scholarship Board have now been transferred to the municipalities. The latter take bids on that service, and if a private firm spends less, it will earn more profits.

Waiting

[Question] You say that they are worse than in the past. However, the minister of labor stated that the average hike of about 8 percent obtained in collective bargaining is "excellent, for any country in the world."

[Answer] Of course there is no collective bargaining in the public sector. That is why the judicial branch departed from the Single Scale, to obtain that 42 percent increase which it received. But we 300,000 excluded workers are waiting for what General Pinochet, greeting the new year, announced to the country: that he had given an order to make studies for an improvement in the scale. Three months have now elapsed, and we think that those studies should be ready.

[Question] How much would you estimate the lost purchasing power to be?

[Answer] If the government wants to restore the lost purchasing power to us, it must raise our salaries by at least 50 percent. Apart from the decline affecting everyone, in May 1975 they denied us the 35.8 percent raise that they gave to the other workers.

[Question] But it has been stated that the professional course would be a means of increasing income by raising grades. What has happened to that?

[Answer] The government established for us the Armed Forces system, wherein one has to take a course in order to be promoted. To be sure, in that case their income rises, which does not hold true for us, because, when the grade is raised we lose the 5-year periods for seniority, which represent a separate small salary. But, furthermore, in order to have the grade raised, one has to attend the National Training School, which is very small: It can only accommodate 600 persons per year, and we number 300,000, despite the reductions.

[Question] According to the authorities, the reductions in public administration personnel have been made because the government was oversized. Do you think that this was really so?

[Answer] That argument is refuted by the fact that the national budget for this year calls for the payment of 35 million pesos for 30,000 hours of overtime; which is equivalent to the amount needed to be able to hire 18,000 individuals. Moreover, the authorities justify the reduction in personnel and the bidding of companies by claiming that the government is a poor businessman. Sometimes it is convenient to say that the government is a poor businessman to justify certain policies...but we must not forget that there have been many state enterprises with a good administration, and others which should operate on a social basis.

#### 'Against the Workers'

[Question] What do you expect from the promised pension reform?

[Answer] I don't expect anything. That reform is not being made to improve the lot of the retired workers, but rather to make the system private, and make it coincide with the Labor Plan and the economic policy. It is a fact that the system had defects, but no attempt was made to find a way of improving it. Furthermore, the publicity about the fraud in the Private Employees Fund is in contrast to the silence surrounding other disclosures: for example, the bids made in the Ministry of Public Works without warning.

[Question] It is claimed that the reason for making this reform is that the system is bankrupt....

[Answer] In the first place, it is a falsehood that the Public Employees Fund has the greatest deficit. That is the case with the Armed Forces Fund, as EL MERCURIO stated. What happened to our Fund was that the governments



always made use of it to patch up the budget; and this, understandably, prevented the depositors' funds from being invested and safeguarded.

[Question] In brief, how would you describe the economic model?

[Answer] This system is an accurate reflection of entrepreneurial thinking. It is a policy against the workers, which only distributes famine among the majority. The obvious proof is that the government has on many occasions benefited business owners. It has reduced their pension tax from 25 to 10 percent. It has also cut the taxes of the business owners who hire people over 50 years of age, and it has authorized the payment of 60 percent of the minimum wage (less than 3,000 pesos) to "apprentices," of minors. What has happened here is that the business owners have taken over the coup.

#### Defenseless

[Question] Then, in your opinion, the government's proposal for "national unity" has not been fulfilled, and the workers are excluded from the process....

[Answer] The only think that we have felt is a large loss of purchasing power and of our acquired rights. In the past, we had the Chamber to defend us; and, if it went badly for us there, there was the Senate, and public opinion. Furthermore, the authorities have claimed that they will not allow participation, because it is joint government. A silly meeting which listens to the workers is interpreted in that way.

[Question] There are sectors in the government which maintain that the unions should replace the political parties as channels of expression and participation. What do you think of this idea?

[Answer] In this country, we cannot overlook history. And here, the political parties have a great task, now, tomorrow and always. No government, regardless of how authoritarian it is, can hold funerals for the parties. There is the example of Spain: 40 years of dictatorship did not succeed in abolishing them; and observe now how they are acting in that nation's destiny.

[Question] It has been claimed that Chile succumbed to a party-ocracy, in which everything was decided by the parties, based on their own gain....

[Answer] There is at present one party which has grown greatly. It is that of the "independents," which I did not know about before the coup. Now it so happens that well-known politicians who benefited from those groups are independent or apolitical. I have great respect for the parties, and it is my personal view that they should be in the service of the trade union organizations.

On 11 September 1973, Federico Mujica, 57 years old (married, with four children) was vice-president of the CEPCH. He remarks: "In order to survive the storm, we decided to revamp our organization." So, the president, Marcial



Cortés Monroy, proceeded to serve as secretary of the entity, and he assumed the top-ranking position.

In any event, that office was not new to him. Between 1958 and 1964 he had been president of the CEPCH. He began his second term with timid criticism of specific items in the economic policy, to the point where other leaders labeled him "cork": he was always on the surface. However, with the passage of years his fire has intensified, and now he expresses views on political matters as well.

[Question] What is the income of a private employee at present?

[Answer] There are 40 percent who earn 9,000 pesos, and another similar percentage receives well under that amount in income. This indicates that only 20 percent of private employees earn over 9,000 pesos.

[Question] And what is the minimal level of expenditures for your family?

[Answer] According to our sample, made according to international standards, the least that a family of four can spend is 15,000 pesos. The difference between what they should spend and their income is made up by failing to purchase clothing, living with relatives, and giving up the replacement of household furnishings and toiletries. In many instances, the worker also saves money for transportation by walking to his "post."

#### Percentages Disputed

[Question] According to Minister José Pinera, the average 8 percent received in the collective bargaining is "excellent."

[Answer] That may be true, but only for those who bargained, which did not exceed 20 percent of all workers. In other words, about 600,000 out of an active population of 3.5 million actually managed to increase their earnings. But the minister must remember that there is another 80 percent who have not gained anything, and will not, because they are excluded from collective bargaining.

[Question] What changes would you make in the Labor Plan?

[Answer] Its coverage must be expanded to include all workers. Also, it must allow the existence of all types of unions; that is, besides those formed inside of the company, based on branch of production or activity, and on the level of federations and confederations. There must also be an extension of benefits to everyone, so that there will not be first and second class workers. But the most important thing is to return to the strike the negotiating power that it had previously; because now it is an imaginary right.

[Question] Would those modifications entail a complete change in relations between labor and management?

[Answer] There would, unquestionably, be a change entailed in everything. Because if we go to the root of the problem, we find that what is bad here is the philosophy with which trade union rights have been conceived in Chile. At present, they are conceived on the basis of the consolidation of economic power.

[Question] And how would you describe this economic model?

[Answer] This policy benefits only the business owners, but its essential feature is the great power for concentrating wealth associated with this approach. The money and power are being established increasingly in a very small number of hands.

[Question] What changes would you make in the present economic policy?

[Answer] It is a little late now to try to change this system with "the blow of an umbrella." It must be given a different direction, but without succumbing to the belief that one can move from an individualist structure of a financial type to another of a statist social type. The first thing to be done is to reconsider development inside of the country: to return to basic industrialization, and to restore equilibrium to the balance of payments, which will make it possible to reinvest in Chile. Now, we are living from day to day, and what we purchase far exceeds what we sell.

#### Silent Reform

[Question] What are your hopes and fears regarding the promised pension reform?

[Answer] We have only fears; and the greatest one is not so much that the system will be made private, as has been proposed, but that there will be a destruction of the sense of solidarity that social security has, wherein the worker, the state and the employer make a contribution to the old age of the former. Now, the individual will be given an option to capitalize, but (and they say nothing about this) if, at the end of his working period, he has not managed to finance his retirement, his money will go to the pit of minimal pensions.

[Question] But there will always be people who receive different pensions, depending on their income.

[Answer] Yes, but there used to be two ceilings: a minimal pension and a maximum limit. Now we shall find those differences increasing, as the salaries of some increase and those of the majority continue to decline.

[Question] What role would you assign to the worker under the new institutionality?

[Answer] It is no longer a matter of expressing opinions about the role of the worker here. The government must simply seek the citizen's expression of views. The sovereignty of a nation is vested in him, and it should be the citizen who decides upon his own destiny and his own institutionality.

#### Proposal Resisted

[Question] There is a sector in the government which proposes that, in the future, the unions and trade associations should replace the political parties. How do you view that proposal?

[Answer] That is a political solution, and political solutions have nothing to do with the workers' problems. We must understand, for once and for all, in this country that the unions did not come into existence to replace the parties. At the present time, the political parties want us workers to be the unprotected vanguard, and they are asking us to take a leap, even though it may be into a void. That is why we in the trade union area have lost a great deal of confidence in the parties.

[Question] Now, however, when the parties do not exist, the workers have lost more conquests than in the entire history of Chile....

[Answer] The parties have given us workers very little during the past 30 years. What we had, we obtained with strikes, hunger, persecution and death. Since 1931, when the military imposed the Labor Code with the sword, there has been no constructive change in the labor area. Just in 1965, there was a law on union organization of the farmers, which was a step forward. This is why the professional politician is discredited in Chile.

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ROGELIO RAMOS INTERVIEWED ON PARTY POLITICS

San Jose LA REPUBLICA in Spanish 16 Apr 80 p 4

[Interview with Rogelio Ramos, by Luis Castillo: "I Do Not Know Why Carazo Feels That He Has the Inside Track"; date and place not given]

[Text] [Question] As it looks now, do you feel that the current political situation is satisfactory?

[Answer] One cannot speak in terms of a political situation without, ever so briefly for the purpose of this interview, looking over the background of that situation. Allow me to do that now.

Day after day we hear everybody say that the country is in a crisis. The wage earners say it, the employers and the producers and the consumers say it. Everybody says it. There is a crisis in the government's legal organization, not in its power concept--but rather in its social meaning. In a word, all Costa Rican society is in a crisis.

[Question] How did we get to that point?

[Answer] There is no denying that the external factor contributed to this in part, in other words, an accumulation of problems coming to us from beyond our borders. We are on the periphery of the superindustrialized societies; their reflection reaches all the way over here, many times through scientific advances but we also get the worst and most shameful things from those societies. They are dumping on our environment persons and things that had better be kept in their countries of origin. In view of this--which is a crime--we step up our vigilance in defense of Costa Rica's social integrity.

But together with those alien factors we have other factors which, domestically, most decisively contribute to our loss of our social equilibrium and we feel inclined toward anxiety, unrest, and uncertainty. Unfortunately, the bad example set by those in power goes deep and we Costa Ricans are beginning to cast aside the fundamental principles which, because they are so fundamental, enabled the country to make true progress.



The impudent failure of those in power to deliver on their promises immediately leads to the conscious or unconscious abandonment of law and justice; this disease eats away at the very insides of the principle of social solidarity which is based on reciprocal respect of rights and obligations. That in turn produces lack of faith in the common destiny of Costa Rica. The truth then is only an empty word without meaning. Everybody proclaims his own truth as if it were the only one and, because he keeps shouting it, he does not hear the truth of the others. We have become deafened by our own egotism.

The great national tragedy is the lack of a dialogue among Costa Ricans, among those who govern us and those who are governed; this is an even more reprehensible matter in an administration which speaks of popular participation.

With a heavy heart, we watched the president of the republic and his advisors supporting everything that conflicts with their own intentions. This is the vanity of those who are the depositories but not the holders of public power.

This deafness by the governing team applies not only to the petitions of the workers but also the proposals from former presidents of the republic. This is a very serious attitude which boils down to closing one's eyes before the certain fact that the country, not belonging to anybody, belongs to all.

[Question] How would you then rate Mr Carazo as a ruler?

[Answer] I want to make myself perfectly clear on that score. As far as I am concerned, Mr Carazo feels bathed in the light of a divine mandate-- I do not know where he could have gotten it from--and it makes him adopt a kind a messianic attitude, completely forgetting that he lives in a civilian society and that his job is a temporary one. That mandate makes him think that he can act in defiance of public opinion and, in many cases, by ignoring the law. That is the root of the lack of coherence in his decisions and in the changing attitude as expressed in the analysis of public affairs. The confrontation with the mass media and with the newsmen is a case in point here; while, as a candidate and president, he thought that they would serve him to advance his own political designs, he concealed everything he said afterward, whereas, concerning freedom of expression, he condemns everything he accepted before. On that point I want to recall that President Carazo got a newsmen fired who had informed the country that the government authorities were putting up with the Nicaraguan revolutionaries; that action by Mr Carazo was the absolute truth as far as the people of Costa Rica were concerned, as the chief executive now claims.

What he does--and so far he has done practically nothing--or what he does not do will be that which will be recorded in the history of the Carazo administration. Rhetoric does not become a part of history if there are no positive facts to back it up. We need action, not talk.



[Question] You talked about a dialogue--but do we not have a national dialogue?

[Answer] Precisely, the attitude of those in power is immediately reflected in the other sectors and therefore also in the "current political situation," to use your term. The parties are no longer parties; they are fields and closed clubs. There are not constructive conversations and, day after day, we witness personal debates in connection with the analysis of public affairs, a struggle for personal interests rather than a study of the benefits for the community as a whole.

Haughtiness has taken the place of understanding; there is widespread mediocrity in the civil service. We Costa Ricans live a life full of tension and uncertainty; nobody knows what the future will bring, not just in long-range terms, but even tomorrow. Those who run the government have adopted the rather strange attitude of saying that they are doing much but in reality they are not doing anything. This is a frankly heart-breaking situation.

Just a little bit longer and all of us Costa Ricans will be--and perhaps we already are--facing the vision of the Latin poet: "Everybody is only out for his own good and is developing a single art: how to deceive with phony words, how to compete shrewdly, how to outdo everybody else in flattery; everybody boasts how honest he is; everybody is cheating as if everybody were everybody else's enemy."

[Question] Personally speaking, were you not having anything to do with politics ever since the last elections?

[Answer] If you mean election activities by politics, then I have so far refrained from getting into that sort of thing. As a Costa Rican I see everything that goes on around me and I cannot be indifferent to the storm clouds gathering over our country.

[Question] Does the Unification Party represent something different from the other groups that are getting ready for the next election campaign and do you believe that the party must try to maintain its political and electoral strength?

[Answer] The National Unification Party is the direct descendant of Calderonist Social Reform. All its members at the time supported the drafting and consolidation of social legislation; they had the virtue of never having strayed from their principles, even at the most difficult moments. The most outstanding case involves Dr Rafael Angel Calderon Guardia; he set the example as a worthy individual, a great statesman who accepted all risks deriving from the institution of social legislation; he never retreated before the powerful because he knew, through his spirit as a convinced Christian, that only a more equitable distribution of wealth will give the country social peace. If he had accepted the offers of those

who tempted him to abandon the working class, he would not today with reverence be called the Social Reformer of Costa Rica, a title with which definitely went down in the history of the fatherland.

Now, a political party is more responsive to the doctrinaire cohesion of its members than to legal or economic patterns; for its members, its participation goes beyond the confines of strictly legal organizations; above all, it contains a moral value which is the rallying point for those who believe in its ideals. Jesus was betrayed by one of his own and he was delivered up to his executioners; he was tried and sentenced; neither the law, nor this wrong sentence, nor the washing of the hands by the Roman governor could darken his doctrine which has been shining constantly over two millenia.

[Question] Do you believe that Calderonism as such has remained what it is or has it blended with other groups in terms of action and thinking?

[Answer] That depends on the Calderonism you are talking about. The Calderonism that is faithful to the principles of the Social Reform never agreed to blend with other parties, *de facto* or *de jure*. When political circumstances persuaded it to support the candidates of other groups, it firmly stuck to this attitude; the movement's leadership always was Calderonist in that sense. In other words, it had an autonomous conduct of its own. And this autonomy signified independence, the freedom of a party to support, to disagree with, to amend, or to dissociate itself from the actions of an administration even though it may have sprung from its own midst; but that does not mean--as many people outside the party would like--submerging its components amid discord in the face of the members of other political parties because that is the beginning of civil war. In saying all this, it is my obligation as a man, as a friend of all life, as a comrade in many election campaigns, to pay tribute to Francisco Calderon Guardia, the most complete politician Costa Rica has had over the past 40 years. Don Paco healed the wounds opened in the fatherland on the occasion of the 1948 civil war. Misunderstood by many, maliciously judged by others, he had the firmness and conviction that he was giving the country peace in this way and so he conducted the dialogue with those who had been in the opposite camp. The principles of the party were upheld and at the same time we returned to the Costa Rican tradition. All of this seems to have been forgotten in this administration. I would summarize those principles of Don Paco as follows: democratic disagreement within political agreement to the benefit of the country. In summary, that Calderonism was never absorbed by anybody, either ideologically or politically.

Now, if you talk to me about the Calderonism which was wrested away by young Calderon Fournier from the coalition of four parties currently in power and whose administration has broad representation, then one cannot rule out his responsibility in the face of the policy pursued by Mr Carazo which is contrary to the interests of the people. The high cost of living

is just one example of the results of this kind of joint administration. And regarding relations with other parties in the coalition, that brand of Calderonism does not have any real autonomous leadership; it accepts the impositions of other parties in the coalition which have no connection whatsoever with the basic principles of Calderonism. It is my understanding that there is even a bill that was introduced into the Legislative Assembly to merge with the other groups now in power. In other words, it has already been absorbed in fact by other currents or parties. All that is lacking is official confirmation because the law almost always comes after the custom has been established, as we are taught by the general principles of law.

[Question] You have admittedly been politically anti-liberationist. Now that Mr Figueres is not a candidate, what do you think of him as a politician and as a citizen?

[Answer] Saying only that I have been anti-liberationist [against the Liberation Party] means categorizing me negatively in political terms; my ideological position and my participation in a party with a view different from the Liberationist Party has caused me to have a run-in with its leaders in this field; this was a confrontation based on historical reasons that are a part of the civilized standards of respect for the democratic system. As far as Mr Figueres is concerned, I would say that it is preferable to put him more within the historical context, rather than within the context of current political participation. Contrary to what many of my friends think, for me, Mr Figueres has been a pragmatic politician; once upon a time he himself told me that, like Voltaire, he did not want to leave any sect behind. Perhaps this will describe the situation best: coming to power in 1948 in the wake of a drive basically directed against social laws and supported by those forces, he did not repeal them, as the most outstanding representatives of those groups had been asking. He was a practical man before he was a committed man. As a citizen, I think that Mr Figueres is a multifaceted man: he extends from his work as a rancher all the way to his literary aspirations; in the midst of that, his daily life is filled with many activities. Mr Figueres has a restless spirit but I have never really talked to him.

[Question] Do you have anything else to say?

[Answer] Yes, two things. What I said, I believe adds up to a rather pessimistic outlook. It is not nonconformity that is needed to create something new or to modify that which exists to the benefit of everybody. So, what should we do? I would say that we must not allow ourselves to be swept along by that current; we must react against restlessness in the face of a future that looks so unpleasant. That means that we must not only change men and the party in power, although that is necessary; we must also formulate a general concept which will constitute the foundation for the country's future to the common good, not as a lot of empty talk but as a source of national inspiration. I realize that this is difficult

because you have to get to the bottom of things and we have to revise our entire conduct. This is not a campaign slogan because it goes beyond the parties as such. We must start here, with respect for human beings as persons with human rights; we must think of the community as a whole, ahead of any egotism, and we must have the participation of all, rather than the haughtiness of the ruler. We must not look at the bucolic Costa Rica of yesteryear simply out of a desire for the good old days but we must instead draw from that the fundamental values that distinguish us a democratic and free people; we must never revive unjust policies which benefit the few to the detriment of the many. Nor must we hope that our destiny will materialize with promises of justice springing from dictatorships that only produce new forms of opprobrium. Let us recover our balance and our good common sense. Let us face the future with faith and confidence; let us change what has to be changed but let us maintain unalterable the principles of liberty and democracy, perfecting them so that, with each passing day, Costa Ricans may effectively participate in public decisions. Bad government soon passes, although its term of office may seem very long to us; but altering social harmony contains the germ of cruel and savage struggle. We must not permit that to happen to Costa Rica.

Furthermore, I would like to thank you for interviewing me here. This is a form of national dialogue which is a great honor to those who now manage LA REPUBLICA. Many thanks.

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CSO:3010



PLN'S MONGE DISCUSSES HIS CANDIDACY

San Jose LA REPUBLICA in Spanish 12 Mar 80 p 4

[Interview with Francisco Morales Hernandez, former labor minister and deputy, by Wilmer Muzillo: "Monge Alvarez, a Fighting Cock Without Spurs"]

[Text] The currents that divide the PLN [National Liberation Party] on the inside are moving ever faster toward a political position statement. This will happen on 27 April during the party's convention which will pick the presidential candidate. The fight is between former party candidate Luis Alberto Monge Alvarez and his former campaign manager Dr Carlos Manuel Castillo Morales; this will be an opportunity for the public to become familiar with and clearly compare the positions of the two groups. Nobody could sincerely believe that the two alternatives constitute two action methods, two government concepts, concepts of society and man which are distinct and opposed to each other. The differences cannot be abysmal because the National Liberation Party has homogenized its thinking, according to our interviewee this week, former labor minister and former deputy Francisco Morales Hernandez.

[Question] Do you believe that there are profound differences in the way Carlos Manuel Castillo and Luis Alberto Monge look at things?

[Answer] Yes, there are differences. Carlos Manuel is a technician. Luis Alberto is a politician. Luis Alberto has an uninterrupted record with the PLN. Carlos Manuel has been with the party since 1970. Luis Alberto has a fruitful record of contributions to the country, such as, for example, Christmas gifts, the law regulating relations between coffee growers and processors, the poultry-raising development law, etc. Carlos Manuel participated very outstandingly in the Oduber administration but I believe that he can be even more important in the future. Then there is also the matter of style. Luis Alberto is a man of emotion, of



mystique, and of enthusiasm. As Figueres says: Monge is all heart and brains and what the country needs fundamentally is a politician but also a statesman and that is Monge.

[Question] Do you sincerely believe that the two alternatives constitute two methods of action, two concepts of government, of society, and of man, which are distinct and opposed to each other?

[Answer] As I said in the beginning, there are differences between Monge and Castillo. On the level of liberationist ideology, they cannot be abysmal because our party has been homogenizing its thinking. But if I look only at the political past of both of them, I would say that the content and the nature of a government will be different. Luis Alberto, after Rodrigo Facio, is the most accomplished and balanced thinker and ideolog the National Liberation Party has ever had.

[Question] Do you believe in the possibility that the convention process might leave the PLN with a deep split in its ranks and expose it to defeat in 1982?

[Answer] Conventions are bad. However, democracy has not found any less imperfect mechanism to measure the will of the voters. In this case, nobody doubts Monge's victory. However, it has been necessary to go into a convention which would legitimize his nomination. Here we are like in Mexico. Those who do not like the Mexican political system talk in terms of the "fighting cock without spurs." First they designate the candidate and then they run the elections. Here, Monge has already been elected on the basis of the overwhelming desire of the PLN but we are going to have to have elections on 27 April anyway.

[Question] Would you say that, in spite of the bad blood between the leaders of the two groups, party unity will be achieved without leaving anybody out, to the extent that even those who have been hurling insults will be allowed in?

[Answer] There are three reasons necessitating PLN unity on 27 April. The first one is that, this time, the PLN is going to win and nobody will want to lose twice, in other words, on 27 April and on the first Sunday in February 1982. The second one is that former presidents Figueres and Oduber are convinced of the historical need for the PLN getting back into power and are therefore helping to consolidate that unity; the third one is that Luis Alberto Monge's personal situation is that of a generous man

without rancor.

[Question] Do you believe that it will be the obligation of the PLN-- if it wins in 1982--to seek a rally of all of the country's forces in order to push through the structural reforms which the country needs so urgently?

[Answer] Definitely. Luis Alberto's movement already provides a powerful spirit in terms of making history. Our current problems call for a National Liberation administration to do great things. This is not just a matter of administering the country. The important thing is to transform it. If we want to administer the country, then all problems would be resolved simply by doing things better than Carazo. For example, providing more credit where Carazo cut it back. Build another house or another bridge. That is what administering is all about. That can be done by a technician but the country now needs a new national political blueprint and that calls for very clear ideas and an enlightened political leadership.

[Question] Whom do you consider the PLN's most dangerous adversary in the 1982 elections in the hypothetical case that the race for the presidential nomination of Unity is between Rodrigo Madrigal Nieto and foreign minister Rafael Angel Calderon Fournier?

[Answer] The best "supporter" the National Liberation Party has today is Rodrigo Carazo. His administration has frustrated so many Costa Ricans that anybody who becomes the standard bearer of Unity is going to have a tough time. Calderon Fournier excites the emotions but perhaps he is still young. Rodrigo Madrigal is an intelligent and well-trained man but perhaps the people think that two Rodrigos would not be good. The most troublesome candidate can be Rodolfo Mendez.

[Question] Many people insist on expressing the opinion that Luis Alberto offers a dramatic image of a defeated candidate and that this will count heavily with the voters. They say that they do not want to repeat the case of Orlich and Oduber. How would you argue against that?

[Answer] Figueres and Orlich won the presidency from the opposition. Oduber won it from the administration. And Monge increased the votes gotten by the PLN after two successive administrations. Now he is going to be an opposition candidate and that is a first advantage. The second one is represented by Luis Alberto's personality which, during the last campaign, for reasons which we cannot go into right now, did not enable him to protect himself with full force. The Luis Alberto of today is a fighter to be feared, he is a democrat for all time and he is the man with the political talent that places him on the same level with Jose Figueres and Daniel Oduber. We can see the touch of the artist and the

intellectual, of the producer and worker, of the leader and cooperativist already in his speeches, in the meetings he holds, and in the progress of his movement; this is becoming a real historical current within the party and within the country.

[Question] What do you think of the way in which the foreign minister handled foreign policy? Do you believe that he proved to be more capable than Gonzalo Facio? Do you believe that doing a bad job may harm his presidential aspirations?

[Answer] The problem facing foreign minister Calderon Fournier resides in the weakening and contradictions of his own administration which have rubbed off on him. Besides he had to keep up with the image of the 20th-century foreign minister as created by Gonzalo Facio.

[Question] In spite of the relatively little time available to Castillo Morales for conducting his campaign, it is said that public opinion surveys place him in a very favorable position. Some people think that he would win overwhelmingly in a broader campaign. Do you believe that this situation estimate is correct? If this were so, do you not believe, as people are saying, that this only shows that Monge has little popular backing and is not at all an attractive candidate for the PLN?

[Answer] I am not familiar with those opinion surveys. What I do know is the registered support for Monge at this convention which comes to 5,800 while Mr Castillo has the remaining 2,000 or something. This is a very high proportion in favor of Monge. And I believe that, the longer the convention runs, the better it will be for Monge. Among other things, as I said in the beginning, because people want to win and nobody wants to lose twice, on 27 April and on 5 February. I would like to add one more thing. After the Figueres-Orlich phenomenon and after the intellectual and politician in the person of Daniel Oduber, the most important phenomenon of a well-organized and strong leadership, which the PLN can develop, comes from Monge. Monge's leadership is only now beginning to take shape. It will be a decisive leadership for the next 25 years in Costa Rica.

[Question] How do you believe we can overcome the moral and political crisis which, in the judgment of some people, the country is going through now and which will lead to the bankruptcy of the democratic system? Do you believe that this question can be answered without demagoguery?

[Answer] I see only one easy way to do that, cheaply, if you will, a home remedy: predicting on the basis of the example. Luis Alberto embodies a type of political leader who has no material assets, no ambitions for making money and that, right now, is an extraordinary virtue and guarantee. On that score he comes closer to the style of a man such as Cleto Gonzalez Viquez, a man such as Julio Acosta, and a man such as

Otilio Ulate. In Latin America, he is closest to a man such as Romulo Betancourt and Haya de la Torre. In summary, he is an ideal executive who practices what he preaches.

[Question] And what job do you hope to get if Luis Alberto Monge wins?

[Answer] I have been a friend of Luis Alberto Monge for 23 years. I can say with pride that sometimes he is like a father to me and sometimes he is like a brother. I am more interested in ideas than in jobs. In politics, I try to do the best I can, I do the things I have to do today without worrying about tomorrow. As it says in the Bible: every day has its worries.

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CSO:3010

CNP CHIEF REPORTS GRAIN HARVEST RESULTS

San Jose LA NACION in Spanish 6 Apr 80 p 6A

[Text] The latest rice harvest has been the most abundant in the nation's history, according to Carlos Eduardo Robert Gongora, executive president of the National Production Council (CNP).

However, the sorghum harvest yielded less than a 90-day supply, claim the producers of animal food concentrates. For this reason, sorghum will have to be imported in considerable quantities. Robert confirmed this report in answer to a question by LA NACION.

He stated that despite the sorghum shortage (which he said would cost 30 million colones in imports to meet domestic demand), "we have, on the other hand, a bumper rice harvest, which will help us finance these imports."

Producers' Complaint

The producers of animal food concentrates, through their trade organization, issued a complaint about the considerable shortage of sorghum, which is a basic ingredient in their product. They claimed that last year Costa Rica had to import \$10 million (86 million colones) worth of sorghum. They expressed their concern that there was a bad harvest of this grain as well as others "despite the subsidy given to farmers through price adjustments," which means that perhaps it was not enough to stimulate farmers to grow more.

They reported that according to Central Bank figures, during the last period grains had to be imported for the production of concentrates in the following amounts: soy flour, \$7 million (60.2 million colones); cotton meal, \$5 million (43 million colones); fish meal, \$1.5 million (12.9 million colones); and sorghum, \$10 million (86 million colones).

With regard to yellow corn, of which there is also a notable shortage, they said that its price is similar to that of U.S. sorghum. In the United States, the two grains sell for \$145 per metric ton, while in this country corn sells for \$300 per ton and sorghum for \$220.



When asked why they did not import the grain, they pointed out that the problem lies in the fact that the CNP does permit imports, but it takes in the difference in prices. The CNP imports goods at the international market prices and then sells them as if they were national products, they claimed.

When asked if there would be a reduction in raw material costs for concentrates, which could result in lower costs to the consumer of staple foods, the producers repeated that neither the sorghum nor the corn harvest, which were both brought in recently, will last for 90 days. Monthly consumption of sorghum amounts to 140,000 tons, while yellow corn is not even used because there is none, they indicated.

#### CNP Admission

Referring to the claims of the concentrate producers, Robert admitted that there is a sorghum shortage, as there has always been. This year's yield of 50,000 metric tons, similar to that of last year, was not enough to meet the needs of local consumption "because there was no increase in the amount of winter sorghum planted (a product which is mistrusted by producers because of its low quality, the producers told LA NACION), while in Guanacaste fewer hectares were planted as a result of heavy rains in that region last September."

He stated that the annual demand for sorghum is 70,000 metric tons, and that the 20,000 tons that must be imported to make up the shortfall will cost 30 million colones.

Robert announced that this year it is expected that winter sorghum will be planted in larger quantities, while summer sorghum will stay the same, "which will allow for self-sufficiency in that grain."

#### Last Grain Harvest

With regard to the last basic grain harvest, Robert indicated that the rice harvest was the highest in Costa Rican history, with a total production of 214,000 metric tons. This amount, already harvested, is equal to 10 percent more than last year's yield. He stated that corn is still at 63,000 metric tons, while bean production has been estimated at 12,000 metric tons, an increase over last year's figure.

Commenting on the concentrate producers' complaint regarding the difference they had to pay to CNP for the sorghum and corn imported from the United States, he observed that "that difference has always been paid, not just during this administration, although I feel that if corn is imported this year, it could be even more expensive."

He explained that if everyone got permits to import grains at the lowest price possible, it would disrupt the rate of production because then no one would plant the grains; that is why CNP always requires the payment of the difference.

## BRIEFS

COMMUNICATIONS MEDIA, CARAZO AGREE--Owners of radio stations are in agreement with President Carazo. We agree with you that the entire country should be covered only by Costa Rican communications media, because what in the past was a deficiency could now become a threat hovering over some regions which are constantly bombarded by ideologies alien to democracy. This was stated by the National Chamber of Communications Media in response to a letter sent by President Carazo regarding the infiltration of foreign radio stations. In view of the announcement made by President Carazo that very soon national television stations could disappear as a result of the operation of satellites with world transmissions, the National Chamber of Communications Media agreed to create a technical committee. Regarding the appointments of Roger Barahona Gomez, Roberto Hernandez, and Carlos Lafuente, the chamber notes that our concern is very similar to yours as far as the problems affecting not only the communications media, but the entire country. [Text] [PA011622 San Jose Radio Reloj in Spanish 1200 GMT 1 May 80]

CASTILLO ON GOVERNMENT MISMANAGEMENT--Former candidate Carlos Manuel Castillo was queried yesterday about his relationship with Monge Alvarez, after admitting defeat in Sunday's convention. According to Castillo Morales, the two groups have already begun to hold meetings since the goal now is the 1982 presidential election. According to the deputy and former precandidate, many of the decisions are now in the hands of Monge Alvarez and he cannot interfere since he does not want to be misunderstood. According to Dr Castillo Morales' statements yesterday, the nation now stands at a grave crossroads, with a government that does not rule and with a Liberation Party that is beginning to arm itself. The former Liberation Party candidate said that since the natural stages of unity, birth, reproduction and death, have progressed to the final stage, only his party can now save the nation. In the opinion of Carlos Manuel Castillo, Gonzalo Facio's move of withdrawing from the party makes things grave since the Liberation Party's unity is fundamental for the party to reach power, and to keep coalition administration systems, which do not rule, out of power. [Text] [PA301427 San Jose Radio Reloj in Spanish 1200 GMT 30 Apr 80]

ALIPO FAVORS DIRECT ELECTIONS--Tegucigalpa, 28 Apr (ACAN-EFE)--The Popular Liberal Alliance [ALIPO], a dissident faction of the traditional Liberal Party of Honduras [PLH], here today declared itself in favor of direct elections for choosing the republic's constitutional president. The ALIPO was a decisive factor in the PLH's victory in the 20 April elections to choose the national constituent assembly which will restore power to the civilians. In a public statement, the ALIPO "reiterates its position that the people's right to directly elect their top authorities must be respected. To this end we reaffirm our position that elections should be called to choose the president, the members of congress and municipal authorities." One of the recent public issues in Honduras is the possibility that the constituent assembly will decide to elect a president indirectly, which would not be to the liking of the popular sectors, the armed forces and the majority of the liberal dissidents. The PLH would not be solely responsible for indirect elections. The members of the National Party of Honduras [PNH], the second-ranking party, and the National Innovation and Unity Party [PINU] could prevent it if they form an alliance, since the liberals surpass the nationalists by only two deputies. If all the nationalist and innovationist deputies vote against the PNH, they would win by one vote. The ALIPO members have also said in their statement "that the political causes of violence in Honduras have disappeared with the triumph of the liberals. The economic and social difficulties still persist but must be eradicated through a peaceful revolution which is essential for the country." [Text] [PA302138 Panama City ACAN in Spanish 1529 GMT 28 Apr 80]

SOURCES OF GOVERNMENT FOREIGN CREDIT--It has been estimated that the net expenditures from foreign loans in the Costa Rican public sector this year reached \$299.9 million. Of that amount, the National Banking System will get the most, \$116.9 million. The other autonomous and semiautonomous agencies will have \$115.1 million at their disposal, while the Central Government will have \$67.9 million. Right now \$76.1 million is in the process of being disbursed, of which \$60.7 million will go to the Central Government and the rest to the Banking System and thence to the rest of the public sector. In addition, the Legislative Assembly has the power to allocate \$60.3 million of the total mentioned, and pending contracts to be approved outside the Legislature amount to a total of more than \$94 million in loans. Finally, there is another type of foreign credit which is scheduled for negotiations, possibly leading to further expenditures later this year. [Text] [San Jose LA REPUBLICA in Spanish 14 Mar 80 p 3] 8926

CSO: 3010

# SKYJACKER CONSIDERED POLITICAL, RELIGIOUS REFUGEE, SET FREE

Havana GRANMA in Spanish 10 Apr 80 pp 1, 4

[Article by Jose A. Benitez: "Yankee Airplane Hijacked by American Persecuted Politically, Religiously"; passages enclosed in slantlines printed in boldface]

[Text] An American Airlines Boeing 727, Model 223, Registration N 6829, landed yesterday at 1815 hours at the Rancho Boyeros Airport with one passenger and seven crewmen.

The passenger, Gerald Leland Merity, a 35-year-old former dental student from Minneapolis, Minnesota, boarded the airplane at 0745 hours in the small town of Ontario, California, and then forced the crew to take it to Havana.

When interviewed by GRANMA at the Rancho Boyeros Airport, Merity explained that he left his country for "religious and political reasons" because "any leader who shows blacks the way is in danger of being harassed, blackmailed or murdered."

He added: "In the United States we blacks live in a vicious circle without hope unless that circle is broken."

Merity said that in the United States "slavery formally ended more than 100 years ago but it still continues informally."

He said: "Until a short time ago, we blacks had to fight the Ku Klux Klan. Now we have to fight the police that persecute us and the Nazi party. There is talk of the /free world/ but that /free world/ in the United States is not for blacks."

Merity professes the Muslim religion and is known to its followers as Muhammad Jalal Deen Akbar. He explained to GRANMA reporters what happened between 0745 hours and 1815 hours.



"I boarded the airplane before the other passengers to avoid complications. I was armed with an eight-shot Lama pistol. I pointed it at the captain of the airplane and told him I wanted to go to Cuba. He gave some excuses, including the fact that the airplane ladder was still down. I told him to give the order that it be removed and he did. Then he alleged that the airplane did not have enough fuel to reach Cuba and I told him that we would make a refueling stop.

"Finally the airplane left on time, at 0815 hours, but not for Chicago, its destination, but for Cuba which was my destination.

"In approximately 3 hours we landed in Dallas, Texas, where the fuel tanks were filled and the pilot got some maps for the trip. We left at about 1200 hours. I made the trip seated facing the cabin with the door open."

Merity, or Muhammad as he prefers to be called, left his studies at the University of San Francisco, California, at the end of last year because of "political and religious conflicts with the university authorities."

He stated: "The conflicts with the university revolved around my color, my religious beliefs and my political ideas. I went to work at the General Electric factory in Ontario which is a small town with some 50,000 inhabitants but I continued having problems with my religious beliefs and my political ideas."

He added: "We U.S. blacks have suffered the worst treatment that any human has ever experienced. We have been murdered, raped, robbed, reduced to the mentality of a child. Between 100 million and 150 million Africans were captured as slaves in Africa. After the U.S. civil war, there were less than 6 million in the United States and a few million in the Caribbean. This means that that imperialist demon murdered about 100 million of our brothers and sisters, throwing them in the ocean during the trip here or working them to death.

"There are now 30 million blacks in the United States being kicked around."

Merity has very concrete ideas about the U.S. Government's human rights campaign.

He said: "Human rights are a lie in the United States. They are a disgrace--words, not actions.

"Freedom does not mean earning 400 pesos a month. Freedom is dignity but the blacks there have been stripped of it. Education? It is not based on the progress of the blacks but on the advancement of the whites. Work? Unemployment among blacks is 2-1/2 times higher than among whites."



Merity, or Muhammad, stated that there is a diabolical policy in the United States aimed at destroying the black man's self-confidence.

He said: "The American people become more ignorant each day of the serious internal and external problems and the majority of the blacks know even less about what happens in the country and in the world."

He explained why he wanted the American Airlines Boeing 727 to bring him to Cuba first and not to another country.

"Because Cuba is a country that demonstrated what the determination of man can do; it proves what a small country is capable of doing."

What does he know about Cuba?

"I know it has 40,000 men defending the freedom of Africa.

"I know that when people like the Cubans shed their blood for another people, they are great people."

Merity expressed his desire to live in a Muslim country.

It is a typical political and religious case. The Cuban authorities will authorize him to travel to the country where he wants to settle.

7717

CSO: 3010

REFUGEE IN COSTA RICA DESCRIBES 'COMMUNIST HELL'

San Jose LA REPUBLICA in Spanish 19 Apr 80 p 7

[Article by Luis Cartin, Jr.]

[Text] Marta Garcia Hernandez is not just another mother. And there are many like her on an island called Cuba, where the people live under an inhuman regime.

Marta's children had not been baptized; every day they moved further away from the home; had no toys; ate poorly; had only one pair of shoes; had only one change of clothing; did not know what Christmas is.

One day Marta Garcia Hernandez decided to change all that and joined those who had taken refuge in the Peruvian Embassy in search of freedom; however, freedom was not their only goal: they were seeking a better future for their children.

With her companion, Guido Rodriguez R., she managed to get space on the first flight. She prepared her children: Sonia, 14; Yamilia, 8; Marta, 7; and Guido, 5.

After the anguish they endured at the embassy, they were subjected to the humiliation of seeing their fellow countrymen form lines to bid them farewell with blows, spit and insults.

It was only because they were carrying the children that they were not beaten; however, beside Marta and Guido, others who were walking to the plane were kicked to the ground.

As Marta flew over the island, she began to cry because everything had not turned out as she expected. Her oldest child had remained in Cuba because she could not convince him to leave the communist system. The boy believed his grandfather who told him that in the countries to which they were going they would make him a soldier, that they would not give him any work, schooling or even clothing.

When she arrived in Costa Rica, she saw the world she had imagined become a reality and thought how mistaken the grandfather and her son had been.

Today, Marta can smile and see her little ones playing with the toys which were given to them by Costa Ricans of the kind who are always around to help when necessary.

Marta can now speak of the Cuba of which we have heard so many stories and can do so as a mother and a woman.

She is thinking about having her children baptized, about marrying the father of her children and she has already gone to mass!

When I spoke with her, I was quite moved.

#### First About the Children

"I could see that the government was taking my children away from me little by little; we had to offset that with large doses of affection. The extra-curricular activities forced them to spend more time in school; and if they did not participate, they were blacklisted.

"Since I was not working, I did not have the right to ask that the children be fed at school. The others were given rice, sausages, eggs, sweets; they were well treated.

"We knew that not even at the time of choosing a career could we intervene; the state would show them a list of the professions the country wanted most.

"The old books, passing from hand to hand, wore out more day by day. At the beginning, there were more school materials; however, as time went by, there were shortages of everything."

#### Next We Talked About the Happy Times

"As you know, Christmas is not celebrated in Cuba. It was a time of year when those of us who had experienced it cried, as we remembered what it was and were not able to do anything of the kind for our children. Only on 26 July, the day of the revolution, were we permitted to buy a basket of fruit and three toys, one of which cost over 5 Cuban pesos and two under 5 pesos. Those toys were the only ones they had all year.

"I am told that here you are eating grapes and apples at this time of year as we used to do in Cuba; however, that is no longer done in my country. The fruit stopped coming in 1963, and the children do not know anything about them."

## Absence of Faith

"It is true that the churches are open, but I ask you: Who is going to attend mass if your name is immediately put on a list which the government will use to do you harm? Those who go to mass bring back what we call 'Guano Bendito,' a kind of palm which we pass from one family to the other to pray to God and ask Him to help us. We cannot have the children baptized because that is frowned upon. We were not married in the church."

## Her Desire for Change and a New Future for Her Children

"I had a television set that we called the 'phantom' which at times allowed us to pick up channels 13 and 12 from Miami. Also, at night we would listen to the Voice of America. These were the encouragements which made us hope that one day that hell would end."

Today Marta has left all that behind her. Now she can think about being a mother and a woman.

Now she is thinking of other things, even of fixing up her face and being more feminine. She will not have to stand in line any longer to buy a bit of face powder once a year; no longer will she have to look for children's clothing on the black market.

For her and her family, the future can be kind or very harsh. She has to start anew in a world with which she has had no contact for many years.

Her husband is a driver, she a housewife; her children have to go to school. Where will they go? To Peru, Spain, Miami — will they stay in Costa Rica?

Marta will soon look into the mirror and will think she is another woman. The sadness which has left its traces no longer exists. She will be better dressed. She will be able to smile, to be happy. She will enjoy freedom!

8143

CSO: 3010

PROBLEMS OF CENTRAL AMERICA DISCUSSED

Unity Among Nations

San Salvador LA PRENSA GRAFICA in Spanish 8 Apr 80 p 7

[Editorial: "Sowing Unity in Central America"]

[Text] Last month there was a very interesting meeting of foreign ministers in San Jose, Costa Rica.

Attending the meeting were the foreign affairs ministers of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic. Therefore, it was a subregional meeting of much wider scope than has heretofore been covered by the political concept of Central America.

The stated purpose of this meeting of foreign ministers was to strengthen the region's sense of unity, to be able to present one solid image in international meetings. Up to now, despite weak attempts to present a partially united diplomatic front—the Guatemala-El Salvador case—the truth is that all these countries have barely been a faint shadow of each other.

This, from our point of view, is the most significant outcome of the meeting in San Jose, Costa Rica.

The other matters considered at this multinational meeting would justify issuing an official bulletin or a governmental press communique, but, undoubtedly, they are only reiterations of matters which have been routinely under discussion either regionally, subregionally or even bilaterally, without any specific results. Collaboration, cooperation, mutual respect of domestic policies, absolute adherence to the principle of nonintervention, defense of sovereignty, territorial waters, maritime zone of economic influence, all these could be reduced to a rhetorical attitude if we lose sight of the current reality of a world on the way toward a stronger and deeper integration processes.

The countries meeting in San Jose, Costa Rica, give rise to a geopolitical Central America and, if the way toward its subregional integration were to be smoothed out, it would not only result in favorable prospects for the



group, but would also be a significant factor in the general outlook of this continent.

If we succeed in maintaining this sense of unity we will have made great progress for the destiny of these peoples.

#### Alternatives for Region

San Salvador LA PRENSA GRAFICA in Spanish 8 Apr 80 p 7

[Editorial: "Alternatives for Central America's Survival"]

[Text] Central America must inevitably try to find the way to subregional unity before considering decisively its incorporation into the integration process of Latin America.

This process has started with the SELA [Latin American Economic System] and it is still operating with five countries without as yet finding the way toward its own subregional unity. Of course it is a path full of problems and difficulties. But the men who are currently responsible for the leadership or political management of these countries must modify their position and their attitude and first solve the immediate problems, such as those of the economic community or the common market or the Honduran-Salvadoran dispute. Because the solution of these immediate problems represents the way to survival.

The alternatives for the Central American peoples are to return to being Central America or to remain exposed to subjugation by other movements which will gain increasing continental influence. SELA may seem remote to some but its potential influence will gradually embrace all Latin America.

9341

CSO: 3010

EL SALVADOR

GENERAL MEDRANO DENIES INVOLVEMENT IN ROMERO KILLING

PA040353 San Salvador LA PRENSA GRAFICA in Spanish 30 Apr 80 p 24

[Paid advertisement signed by Gen Jose Alberto Medrano: "General Medrano's Comments on False Rumor Concerning the Assassination of Monsignor Romero"]

[Text] A few days ago, news dispatches published abroad by UPI mentioned statements allegedly made by former Judge Dr Atilio Ramirez Amaya to the magazine CRIMINOLOGIA CARIBENA of Caracas, in which he accused me of having participated in contracting the "professional assassin" who carried out the assassination of Monsignor Romero. Subsequently, Dr Ramirez Amaya, through his father, and in a letter published in the newspaper EL MUNDO on 24 April emphatically refuted this biased and false report, denying that he had made "the inflammatory statements which he is quoted as having made in Caracas, where he has not been since he left the country after an attempt on his life."

Regarding this false rumor that has circulated in the past few days, I wish to make the following comments:

I believe that the true masterminds and assassins of that horrendous killing are the same individuals who have now started this rumor with the intention of fooling the public and hindering the investigations which we are morally and dutybound to carry out to identify these political cretins and demand that they receive exemplary punishment.

I am certain that if the origin of this false rumor were to be investigated, it would be possible to obtain a clue that would lead to the assassins. And in this regard, I believe that the Venezuelan magazine CRIMINOLOGIA CARIBENA, which gives the impression of being a serious magazine and which was the medium in which this false report was first published, could help in the investigation by supplying the names of the individuals who provided this information.

I believe that Monsignor Romero's killers have sick minds, primitive souls, and are cowards and therefore are capable of propagating the most diverse lies in order to cover up their unjustifiable crime. Honest citizens must demand an investigation until these obscure criminals are found, since it is a source of shame for our society to coexist with that social scum.

## EL SALVADOR

### CHAMBER OF COMMERCE CALLS FOR END TO VIOLENCE

San Salvador LA PRENSA GRAFICA in Spanish 14 Apr 80 pp 2, 24

[Text] El Salvador's Chamber of Commerce and Industry, in a press bulletin has said that "Salvadorans must struggle so that, as a result of social justice, of better labor-management understanding and of stable political conditions conducive to productive efforts in all fields, peace will prevail and violence disappear."

In a public condemnation against attacks to private enterprise, the chamber says the following:

In the past few days large, medium-sized and small commercial establishments of San Salvador and other cities have suffered assaults and armed robberies, fires and even attacks against their owners, with fatal results in several cases.

Such events have deserved the most vigorous public condemnations. They are typical criminal expressions openly challenging ethical and legal norms of social coexistence. Such acts cannot be committed merely, as is claimed, in the name of any ideal, because they are an overflow of the barbarism of fanatical minds which have confused the "liberation of the people" with a destructive process whose immediate harmful effect falls precisely on the whole community.

Damages to private enterprise are not sustained only by the owner of the affected business. According to the nature of the company, when a warehouse or factory is destroyed, there are others affected also: the employees who lose their jobs and the suppliers of raw materials or articles intended for sale who in many cases are small arts and crafts mills or domestic businesses (manufacturers of clothing, foodstuffs, shoes, handbags, etc). The chain of unemployment even reaches door-to-door deliverymen, collectors, middlemen and many others. In this way, humble, hardworking and dedicated people lose their jobs their way of honestly making a living. And it would be truly cynical to claim that they are being "liberated," when they are really being ungratefully pushed to bear the hardships of unemployment.

El Salvador's Chamber of Commerce and Industry has publicly condemned these events, stressing the grave error of inflicting moral and economic damages on the people with these attacks on private enterprise. Our aim is to make the authors of these events understand that they are mistaken in believing that this violence has a liberating effect. It does not liberate anybody but creates poverty, suffering and grief.

The only thing violence does is to enslave the people, plunging them in terror and making them live in constant anxiety.

As other nations have done, Salvadorans must struggle so that, as a result of social justice, of better labor-management understanding and of stable political conditions conducive to productive efforts in all fields, peace will prevail and violence disappear.

9341

CSO: 3010

EL SALVADOR

INDUSTRIES CONTINUE CLOSING IN COUNTRY

San Salvador LA PRENSA GRAFICA in Spanish 10 Apr 80 pp 3, 9

[Text] Industrial centers are closing due to the country's socioeconomic situation, according to Ministry of Labor sources.

Announcing permanent closing this week are companies which have been in this country for years: Agroquimicas de Centroamerica, CORINCA and Texas Instruments. Severance pay is being handled through the General Directorate of Labor on 4th Avenue North.

Companies deciding to close stress production drops, marketing difficulties and other economic problems and have requested the Ministry of Labor's participation in carrying out indemnification operations.

The Ministry of Labor is looking for an appropriate procedure to avoid permanent closing of job sources; however, noticeable drops in production and sales have led several companies to close permanently.

It has been explained that the closing of some factories is the exclusive responsibility of the owners and that the ministry has nothing whatsoever to do with those closings. These explanations were made by spokesmen from the Ministry of Labor because some workers believe that the ministry is involved in some factory closings.

9341

CSO: 3010



COMMENTS ON GOVERNMENT'S AGRARIAN REFORM PROGRAM

Agrarian Reform Is 'Superficial'

PA011238 San Salvador EL INDEPENDIENTE in Spanish 30 Apr 80 p 15

[Paid ad signed by Hector Bernabe Recinos, Jose Arnulfo Grande, Jorge Alberto Alvarenga and Mauricio Gracia: "Reforms Without Popular Participation"]

[Text] To the eyes of an observer unfamiliar with the Salvadoran reality, it might seem incomprehensible that, despite the implementation of a number of economic transformations in the country, the present government does not enjoy the sympathy of the people.

The explanation given to this phenomenon is that the leftists are trying to boycott the current political project because "they want power for themselves." Nonetheless, this view seeks to conceal most of the reality of the situation. Let us see why.

It is obvious that the country needs agrarian reform. According to the 1971 agricultural and livestock census, cultivated areas exceeding 100 hectares do not amount to even 1 percent of the total cultivated land. But they concentrate almost 40 percent of the country's arable land. At the other extreme, properties with less than one hectare represent half the total properties in El Salvador, but they do not include even five percent of the total arable land.

What is the current government's response to this unjust distribution of property in the country? Well, a little agrarian reform project, which affects only cultivated areas over 500 hectares. We say "only" because, according to the census mentioned earlier, there are only 202 properties this big, that is, 0.07 percent of the country's total properties. These 202 properties represent 15 percent of the arable land. We must add that those properties whose sizes range from 100 to 499 hectares, which have not been affected by the project, represent 25 percent of the country's land. More important, what land!

Although they represent only 0.6 percent of the total cultivated land, these latter properties comprise 24 percent of the country's total arable

land and concentrate in them 29 percent of the permanent crops. And this is where things become interesting: Of the total area dedicated to permanent crops in those cultivated lands, 95 percent is dedicated to coffee, providing 37 percent of the national coffee production.

In other words, the big producers "affected" by the reform applicable to properties of 500 hectares and over (we put the word affected in quotes because although they benefited for many decades from their employees' work, the current government has paid very high prices for their land) continues benefitting from their other properties, whose sizes range from 100 to 499 hectares, and which comprise 31 percent of the national area dedicated to coffee, while the cultivated areas over 500 hectares barely account for 9 percent of the national area dedicated to coffee.

To sum this up, the current government has implemented an agrarian reform that has damaged the country's powerful sectors as little as possible.

It has dared "raise its hand against them" because the situation is untenable without reforms. But it has been careful to let them keep the properties where they grow coffee which, as is well known /is the country's fundamental source of wealth/. [Passage between slantlines published in uppercase]

In addition, they have now come up with the "expropriation" (quotation marks used because payments are involved) of rented lands. The announcement of this activity was made amid much fanfare, shouting that "the land must belong to whoever works it." That is how it should be, but they do not fulfill their proclamations. If you are a skeptical person who still has some faith in this government, you should know that according to the previously mentioned census, 76 percent of the country's surface is in the form of properties. So few areas will benefit the residents who have been unjustly exploited by the owners.

In view of the above, would you tell me which reforms we Salvadorans can endorse?

Those they say they are carrying out, but are merely the result of having realized that, almost at the beginning of the 21st century they cannot continue exploiting the people as if they were still in the Middle Ages? Those they say they are promoting when the real cause is their fear of the people's increasing power and organization? If they think they can deceive us, they are wrong. The people understand clearly what they want and what the present government wants to make them believe. We shall no longer accept everything naively....

The government's technocrats should understand that even with efficient planning (which they have not used) their projects cannot succeed without the participation of the peoples. And the people cannot and will not participate as long as they are being slain. How can an agrarian reform

success without being connected to a mass literacy campaign among the rural population? And how can a literacy campaign of that type succeed without the voluntary and enthusiastic participation of both students and teachers to undertake that crusade with the firmest of spirits? It is thus fitting to ask this other question: Does the present government believe it can count on that cooperation, on that spirit, for its projects?

Without the faintest trace of a doubt, the answer is no. And it is because of this that from the base up, this government is doomed to fail.

A reform, gentlemen, does not consist merely of passing a law and believing that with that the reform has already been implemented. A law merely opens a door, but in order to walk along the path of improvement that lies behind that door, one needs the people's enthusiasm to succeed. And it is evident that the junta neither has that enthusiasm now, nor will it have it in the future.

#### Agriculture Minister's Comments

PA032216 San Salvador LA PRENSA GRAFICA in Spanish 3 May 80 pp 5, 33

[Text] Agriculture Minister Octavio Orellano Solis said yesterday that the first phase of the agrarian reform program has been completely consolidated.

In answer to a question, the minister said he is working with more optimism than ever and the enthusiasm which he has noted among his main aides and the peasants who have been incorporated into the agrarian reform program gives him more energy to remain at the head of the ministry. He said that the prognosis is highly satisfactory, primarily in the 300,000 hectares of the 279 properties which have already been confiscated.

In past days, rumors circulated to the effect that some of the confiscated estates would be returned to their former owners. This was firmly denied by the ministers, who said emphatically that under the law, no property may be turned over to its former owners.

The minister was asked about the appointment of a new deputy minister. He said there are several candidates and the government junta is at present considering the various proposals. The person appointed, he said, will be the one who has the best technical and administrative background. In closing, the minister said that the doors of his office are open to newsmen and any further questions could be put to him there.

#### Majano Voices Support

PA040338 San Salvador Radio Cadena YSKL in Spanish 1826 GMT 1 May 80

[Text] The government junta has two priority programs at present: The agrarian reform and the nationalization of banks, as special measures to bring about the country's transformation, Colonel Majano said yesterday.

Regarding the agrarian reform, he said, the peasant has given broad approval, because it benefits him directly. The fruits of the agrarian reform, Colonel Majano said in conclusion, will be seen over the medium or long term.

## BRIEFS

**MUNICIPAL POLICE PROTECTION**--The protection of commerce and industry and the safety of residents in San Salvador will be the responsibility of the municipal police since this body does not carry out counterinsurgency operations, Mayor Julio Adolfo Rey Prendes said. The official said that protection in San Salvador will be more efficient if municipal police are equipped to carry out their tasks. They would not be attacked by members of political organizations who attack security corps agents, who are enemies. Prendes Rey said that if the proposal is accepted municipal policemen would have to receive cooperation from the National Guard, the national police and the rural police in order to become more familiar with the tasks of ensuring law and order. He also said that an agreement would be reached with the guerrillas so that they will abstain from attacking the municipal police and that there same outlawed organizations have protested looting and crimes against businesses by common criminals. He finally said that it is possible that in the near future in San Salvador the municipal police will pay special attention to protecting stores, factories and banking institutions. [Text] [PA011320 San Salvador LA PRENSA GRAFICA in Spanish 25 Apr 80 p 3]

**GOVERNMENT TALKS WITH BUSINESS**--A Finance Ministry commission in charge of reactivating industrial activities has called on all enterprises to start a dialogue with their representatives and to discuss among other things the need to obtain local and foreign financing, employment, marketing, raw materials and production output. The same source added that to this date only 50 percent of the enterprises operating in the country which total approximately 400 have participated in the dialogue. [Text] [PA011258 San Salvador Radio Cadena YSKL in Spanish 1809 GMT 30 Apr 80]

**ANDA WAGE DEMAND**--The National Administration of Waterworks and Sewers (ANDA) does not have the funds to meet the workers' wage increase demand, which according to estimates amounts to some 10 million colones, ANDA president, Eduardo Castillo Urrutia said. He explained that the Public Works Ministry, the Finance Ministry and the government junta are trying to find a solution to the ANDA workers' demand. The workers are planning partial stoppages at ANDA installations in this capital and in other parts of the country. Castillo Urrutia is supposed to discuss the matter



with the Finance Ministry in order to get a better idea of the financial aspect of the problem. [Text] [PA011211 San Salvador Radio Cadena Central in Spanish 1254 GMT 30 Apr 80]

**INSTITUTIONS WILL PROVIDE JOBS--**Some 6,000 people will be hired shortly by the Urban Development and Architecture Directorate (DUA), the National Water and Sewer Administration (ANDA) and the Roads Directorate, Public Works Minister Jorge Alberto Morales Guillen has announced. According to him, the above mentioned institutions began hiring people massively 2 weeks ago and, so far, 2,800 people have already been hired. In the capital's metropolitan area, work will be carried out by DUA, which will be in charge of speeding up a number of suspended projects, such as the continuation of Venezuela Boulevard and the expansion of numerous roads. In the interior, work will be the responsibility of ANDA and the Roads Directorate. Reportedly, the workers hired must live in those areas where work is to be carried out in order to benefit people throughout the country. It has been learned that in order to carry out these projects, the various institutions will invest more than 2 million colones. According to the minister, his ministry currently employs 17,500 workers, without including those who will be hired shortly, as stated earlier. The official was accompanied by Public Works Under Secretary Luis Escobar Moisa, (as received) and by Ricardo Moreno Calderon, under secretary of housing and urban development. [Text] [PA300427 San Salvador EL DIARIO DE HOY in Spanish 30 Apr 80 pp 3, 34]

**NEW MINIMUM WAGE--**The new minimum wage for industry, commerce and services will go into effect on 8 May pursuant to Decree No 20 issued by the revolutionary government junta on 28 April. This was announced by labor authorities yesterday during a news conference. Workers in industry, commerce and services in the municipalities of San Salvador, Ayutuxquetepeque, Cuzcatancingo, Apopa, Delgado, Soyapango, Ilopango, San Marcos, Antiguo Cuscatlan and Nuevo San Salvador (Santa Tecla) will earn 11 colones for a regular days work. Workers in the rest of the country will earn 10 colones for the same period. [Excerpt] [PA041237 San Salvador LA PRENSA GRAFICA in Spanish 1 May 80 pp 4, 27]

**WARNING AGAINST FALSE RUMORS--**In response to the public's right to avoid being deceived by rumors or distorted accounts of national events, the revolutionary government junta of the Republic of El Salvador makes the following statement: 1. Since 15 October 1979, individuals which were ousted from power have unceasingly attempted to destabilize the revolutionary process initiated on that date in conformity with the guidelines outlined in the armed forces proclamation. These attempts have taken place to a greater or lesser degree on various occasions, but they have always been met with the most crushing failure and have been unable to bring about the desired coup d'etat. 2. On Friday, 2 May, the revolutionary government and the armed forces high command met in the presidential palace to evaluate the general situation in the country and discuss routine matters. 3. The public should be alert to avoid being confused by distorted reports disseminated by those groups which seek to maintain anxiety and unrest in the



country, since the extremists of both sides are continuing their campaign of rumors to further their coupist aspirations. However, they will not be able to halt the revolutionary process initiated by the government to favor the majority sectors of our people, since this process is already irreversible and it leads toward a new society that is more just and more humane. [Text] [PA032125 San Salvador LA PRENSA GRAFICA in Spanish 3 May 80 pp 4, 11]

NO DEVALUATION OF COLON--Col Adolfo Arnaldo Majano, member of the government junta, yesterday told EL DIARIO DE HOY that "the colon will not be devalued, at least not today." Majano was interviewed at his government office following reports from Costa Rica, about which we report elsewhere in this issue, attributing statements to the president of the central bank to the effect that the Salvadoran colon may be devalued within 90 days. It would reach a rate of 1 colon to the U.S. dollar. The current rate is 2.5 colones to the dollar, although the rate is not applied in other countries. Majano said that the strength of the colon and the backing of the monetary reserves would indicate that no thought has been given to a devaluation for the time being or in the short term. He noted, however, that anything can happen given the present circumstances and the political situation. The colonel expressed surprise at the report from Costa Rica and added that if any economic measure were adopted efforts would be made not to hurt the underprivileged classes, which are the ones that suffer or feel the impact in such cases. At any rate, prior to adopting any measure it would be discussed with the central bank and its advisors to analyze its consequences, he said. "What I can indeed affirm is that, as of today, no thought has been given to devaluing the currency and this should ease the minds of Salvadorans." He expressed pleasure at the way in which the nationalized banks are operating. He said that now all of their employees own shares in the banks and there is greater opportunity for the people, the true people, to have access to the banks in case of emergency. [Text] [PA032050 El Salvador EL DIARIO DE HOY in Spanish 2 May 80 p 3]

CSO: 3010

INDIGENOUS CLANDESTINE GROUP FORMED

Guatemala City EL IMPARCIAL in Spanish 14 Mar 80 pp 1, 2

[Text] A new clandestine organization announced today that it is beginning operations in Guatemala, stating that it has its general headquarters in the departmental capital of Totonicapan.

The group, which calls itself the "Atanasio Tzul Peasant People's Army" (EPC), in a message sent to our newspaper, says there is a threat of intervention in our sister republic of El Salvador.

"We do not think (the EPC says) the government of the United States will embark on an adventure such as Vietnam, but in order to be certain, we are calling upon all Indians and peasants of the country to join our ranks because we would consider any such action to be a declaration of war against Central America.

"We also ask for the solidarity of our brothers with the Salvadoran people's struggle for freedom; we denounce the Christian Democratic party of El Salvador as the instrument of imperialism," the communique adds.

They also report that they are in contact with over 60 southern coast farms as part of their campaign, whose leader is Atanasio Tzul, and whose ideology is "the Mayan culture inherited from our forefathers."

This clandestine organization does not agree with the 3.20-quetzal minimum wage for farm work.

They look upon the agrarian reform law and the amendments proposed to it by National Congress President Manuel Salvador Polanco as "band-aids".

In conclusion, they feel "such a law must meet the needs of the Guatemalan peasant in order to avoid a repetition of the unfortunate spectacle of having to import beans from the United States."

8587

CSO: 3010

## GUATEMALA

### COLONEL LOPEZ FUENTES DISCUSSES ARMY'S ROLE

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 17 Mar 80 p 3

[Excerpts] When Colonel Lopez Fuentes stated the position of the Guatemalan Army vis-a-vis its constitutional responsibility, he emphasized, "We are keeping our spirits high, as well as our faith that, through open dialog and precisely without reaching sterile confrontation, we will find the solution to the various problems our country is facing."

The speaker added: "The policy of the constitutional president of the republic and commanding general of the army has been to promote development in all sectors of the Guatemalan people's life. In this way, as well as by following the orders of superiors and by performing duties inherent in maintaining the region's security and military training, this region has become a school for the Guatemalan Army, which trains its members for specific activities to better prepare them for personal development when they are reintegrated into civilian life as more useful citizens for their own well-being, that of their families and the communities from which they came. In close cooperation with the INTECAP [Technical Institute of Training and Productivity] the Army is continually offering courses which complement their expertise."

The ceremony during which these statements were made was held on the morning of Friday, 14 March, in Jutiapa, in commemoration of the 35th anniversary of the establishment of the General Aguilar Santa Maria military region. The ceremony opened with honors rendered to the Army Command upon its arrival on the parade ground, after which honors were accorded to the national flag with the singing of the national anthem.

After the reading of the orders of the day, Colonel Lopez Fuentes gave the official speech in connection with the anniversary. The first part of the program ended with the departure of the units from the parade ground.

#### Attendance at Ceremony

The ceremony in honor of the 35th anniversary of the establishment of the General Aguilar Santa Maria military region was attended by the former president of the republic, Gen Carlos Manuel Arana Osorio; the minister of National Defense, Gen Angel Anibal Guevara Rodriguez; Gen Juventino Gomez; Army Deputy Chief of Staff Col Eliu Cabrera Padilla; the commander of the Guatemalan Air Force, Col Carlos Augusto Morales Villatoro; the commander of the Mariscal Jose Victor Zavala military brigade, Col Oscar Rodolfo Cuyun Medina; and an audience of over 1,000 guests, including teachers, students, authorities in general and residents of the town.

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CSO: 3010

JOURNALISTS MEET WITH ARMY PUBLIC RELATIONS HEAD

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 21 Mar 80 p 2

[Text] The president of the Guatemalan Journalists Association (APG), journalist Fernando Molina Nannini, accompanied by the vice president of the same organization, journalist Juan O. Rivera S., and by APG member Francisco Baeza, paid a courtesy visit last Wednesday to the head of the Public Relations Office of the Army, Col Marco Antonio Castellanos Pacheco.

The APG president told Colonel Castellanos Pacheco that, pursuant to a program of the Executive Board, they had already visited the president of the republic, the presidents of the legislative and judicial branches, as well as institutions, service entities and the communications media. They stressed the fact that these visits were for the purpose of tightening the bonds of friendship with those responsible for keeping our institutional system unchanged.

Journalist Molina Nannini, as is his manner, strongly emphasized the fact that in accordance with statutes covering the country's press sector, the latter is eminently apolitical. He said that this sector is in favor of maintenance of the free expression of thought.

For his part, Colonel Castellanos Pacheco, after thanking the APG leaders for their courtesy visit to him as head of the Army Public Relations Office, said he was taking advantage of the opportunity to manifest and reaffirm the support of the Guatemalan Army for the central government's firm intent to keep free expression of thought untouched, which is the fundamental basis of every democratic system.

Colonel Castellanos Pacheco was accompanied by the deputy chief of the office, Maj Francisco Edgar Djalma Dominguez Lopez.

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CSO: 3010

## GUATEMALA

### MILITARY APPELLATE COURT MEMBERS NAMED

Guatemala City EL IMPARCIAL in Spanish 20 Mar 80 pp 1, 2

[Text] The executive branch, through the Ministry of National Defense, has named military members to the appellate court for the capital as well as the departments.

The appointments were made effective as of last 1 February, in accordance with the constitution and military code.

For the third appellate court based in the capital, Col Raul Martinez de Leon was named a second regular member, replacing Maj Juan Adolfo Galvez del Cid.

For the fourth appellate court of the capital, Col Hector Rafael Bol de la Cruz was named a first regular member, replacing Col Jorge Mario Morales Diaz because he took another post, and Maj Jose Edgar Rolando Solis Cordon replaced Cap Clodoveo Dominguez de Leon as a second alternate member.

Col Ruben Suarez Linares was named a second regular member of the fifth court of appeals based in Jalapa, replacing Lt Col Carlos Dorantes Marroquin, who took another post.

Named as a first regular member to the sixth appellate court based in Zacapa was Lt Col Guido Fernando Abdala Penagos, replacing Col Mario Isidro Gudeil Perez; named as a second regular member was Maj Oscar Rene Guzman Alvarado, replacing Col Gundemario Obdulio de Leon Diaz; and as first alternate member, Maj Fernando Otoniel Vasquez Molina, replacing Lt Col Jose Vicente Martinez eliz.

Named to the seventh appellate court based in Quetzaltenango were: Lt Col Jose Amilcar Cruz Quintana as a first regular member, replacing Lt Col Jorge Rene Isaacs Rodriguez; Maj Julio Antonio Valdez Marroquin as a second regular member; replacing Lt Col Rogelio Hernandez Mejia; and Col Erick Leonel Mendizabal Valdez as a first alternate member, replacing Col Julio Oscar Diemich Galvez.

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CSO: 3010



## BRIEFS

CAPITAL FLIGHT ABROAD--Tegucigalpa, 28 Apr (ACAN-EFE)--The president of the Central Bank of Honduras, Praxedes Martinez, today confirmed the existence of a flight of capital, but explained that the amount mentioned by a labor leader last Friday is wrong. Obdulio Caceres, president of the Confederation of Honduran Workers (CTH), said he had proof of the flight of 200 million lempiras (\$100 million), due to deposits abroad by foreign investors who have businesses in Honduras. Between 1979 and 1980, the flight of capital amounted to some \$40.5 million, but at the end of February of this year, that capital drain had been reduced and the situation is stabilizing, according to the president of the Central Bank of Honduras. Praxedes Martinez said the country presently has international reserves of \$237 million, which represents 35 percent of the total imports; "that is, that the Honduran economy has reserves for over 4 months of purchases abroad." He added that this indicates that the country is solvent; that it is false it has lost the amount mentioned by the labor leader. [Excerpts] [PA302140 Panama City ACAN in Spanish 1547 GMT 28 Apr 80]

CSO: 3010

## BRIEFS

CARIBBEAN MARITIME COUNCIL--Jamaica is among six regional states that can establish the Caribbean Maritime Council. A constitution for the council is to be circulated to the various seamen's unions in the region in time for it to be ratified by a congress of the council. The congress is scheduled to take place in Antigua between June 26 and 27. An interim committee is now holding office until officers are elected at the congress. Other countries which are involved in the council include Trinidad and Tobago, Bermuda, St Lucia, Guyana and Barbados. [Text] [FLO71628 Kingston Domestic Service in English 1430 GMT 7 May 80]

CSO: 3020

MEXICO

BRIEFS

AGRARIAN REFORM SECRETARY RESIGNS--Mexico City, 29 Apr (EFE)--It was reported here last night that Mexico's secretary of agrarian reform, Antonio Toledo Corro, has resigned to run for governor of Sonora State. Toledo Corro will be nominated by the governing Institutional Revolutionary Party (PRI) to rule his native state. The agrarian reform secretary has been harshly criticized almost throughout his entire period as head of this office. Toledo Corro's successor is still unknown. [Text] [PA301852 Madrid EFE in Spanish 0839 GMT 29 Apr 80]

CSO: 3010

## NICARAGUA

### BOURGEOIS POLITICAL VALUES SCORED

Managua BARRICADA in Spanish 17 Apr 80 p 3

[Editorial: "The New Democracy--An End to Government Privilege"]

[Text] As the time for the installation of the Council of State approaches, some petty politicians in Nicaragua are allowing their faces to reflect a mixture of happiness and concern. The golden dream of government privilege and bourgeois parliamentarianism is frequently interrupted by the harsh revolutionary reality reflected in the overwhelming advantage in the balance of forces in favor of the popular masses. With the political freedoms redeemed by the revolution, their illusions of privilege are growing. However the real world has changed so much behind their backs that they would probably prefer to pursue their dreams in another country. Therefore they cling to the idea that nothing has changed in Nicaragua from the pre-rebellion situation to the present, for the sole purpose of concealing their desire to see the vital forces of the revolution prevented from playing a determining role in the colegislative body. One of their ideologists, a decadent one for certain, went so far as to say on a radio program that "situations are nothing but accidents, unpredictable things" and that we should regard the departure of Urcuyo and the total triumph of the revolution as a happenstance which in no way altered the balance of forces. But bourgeois democracy in Nicaragua is ever more unprofitable because there is in fact a revolutionary hegemony, a Sandinist hegemony even though they do not like it.

Now then, the recent statements of our leaders and the cheers of support for the Council of State of the forces of the Patriotic Front of the Revolution like those voiced yesterday by the leaders of the PPSC [Christian Socialist People's Party] reveal quite the contrary of what the petty politicians dream. The Council of State, it has been said, will be a broadly representative national body in which the vital forces of the revolution will play a determining role, and it will be nothing like the inaccurately named Somoza "congress" nor the typical bourgeois parliament.

The above implies that for the people's masses, the Council of State will be the expression on the government level of their rise and direct exercise

of government in the Sandinist People's Revolution. This, despite the transcendent historical importance it has for our people, does not invalidate the effectiveness the mass struggle will continue to have in all realms of national life, as the main source of power to promote the social changes. The Sandinist masses do not dream of government privilege but are struggling to strengthen their organic participation on the levels of economic and political decision in the country. And just as they are waging the battle today in the unions in the rural sector and the city, in the CDS [Sandinist Defense Committees], the JS 19 [19 July Sandinist Youth Movement], and the AMNLAE where the tasks set by the revolution are concerned and are also participating on some levels of economic and political decision, in the future they will continue to do so, but strengthened by their representation in the Council of State. The axis of their struggle will not then be shifted such as to leave an empty space, but will have to be strengthened in depth. A proper understanding of this reality should be one of the central points for the intensification, beginning now, of a propaganda campaign within the mass organizations, for the discussion of the nature of their participation in the Council of State.

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CSO: 3010



## NICARAGUA

### PPSC EXPLAINS ITS POLITICAL IDEOLOGY

Managua LA PRENSA in Spanish 19 Apr 80 p 4

[Text] The leadership of the Christian Socialist People's Party (PPSC) issued a statement in support of the National Reconstruction Government in connection with economic recovery last Wednesday, calling this campaign one of the most effective supports for the transformations proposed by the revolutionary government.

The position of this political group was set forth by its president, Edgard Macias, and the secretary general, Cesar Delgadillo, at a meeting at which workers Guillermo Mejia and Alfonso Calero, who hold leadership posts in the PPSC, were present.

Speaking of the economic reactivation plan, Edgard Macias noted that "the workers must do everything possible to exhaust all peaceful means and dialog to resolve the differences which may develop with the employer."

He said that the measure of seizing factories and striking involves the risk of affecting the reactivation process, warning that this expedient can be avoided in many cases, in view of the willingness indicated by the Ministry of Labor to provide a just solution to all demands developing within the workers' movements.

"The Ministry of Labor is open to all the workers, to hear their demands, without need for prior seizures, which may give another orientation and meaning to the ideas or good intentions the workers originally had."

Cesar Delgadillo, for his part, noted that the PPSC believes that "the workers and peasants are the privileged beneficiaries of this revolution and all efforts and sacrifices are directed toward the total well-being of these classes, who shed the most blood for the popular victory."

He commented that the economic recovery plan drafted by the revolutionary government has established all the foundations so that all these intentions can be implemented.

## Literacy Campaign

Speaking of the literacy campaign, Delgadillo said that "our young people, workers and professionals who have launched this beautiful campaign will become aware of the drama of the peasants and they will push us toward the solution of the problems facing the most neglected social strata in the country."

He said that the PPSC is aware that with the conclusion of the literacy campaign, "Nicaragua will be embarked on one of the key roads to the progress of Latin America."

## Council of State

Referring to the coming organization of the Council of State which will govern jointly with the National Reconstruction Government Junta, the leaders said that they fully support the decision to reorganize the original structure of this council.

They praised the pluralistic and democratic nature of the Council of State, saying that the incorporation in it even of organizations which have been hindering the revolution process and even have taken some reactionary positions is contemplated.

"This shows the capacity for flexibility and the intention of creating a pluralistic body on the part of the revolutionary government," they stressed.

They asserted that the establishment of the Council of State is of great significance to Nicaraguan political life and that this will be the first revolution in history to establish a parliament for joint government only 8 months after its triumph.

In their statement the leaders of the PPSC spoke of the recent statements made by Cdr Tomas Borge to the effect that with armed intervention in El Salvador, we should be on a war alert.

In this connection Edgard Macias said: "We believe that Commander Borge is right in this concern, because intervention by the United States in El Salvador means intervention in Central America. Apart from the frank reservations expressed by the United States about our revolution and the news we have received of U.S. penetration in Honduras, it means that preparations are being made to besiege the Nicaraguan revolution, to prevent our development. Therefore we must prepare to defend our revolution as necessary."

In conclusion, the spokesmen energetically condemned the position of the Christian Democrats in the military junta of El Salvador and the proclamation of support issued by the Christian Democratic Organization of the Americas (ODCA).

"The actions of the Christian Democrats in the junta in El Salvador are not only contrary to the legitimate interests of the people of El Salvador, but of all the peoples of Latin America, who are seeking their definitive liberation," they added.

"It is criminal that the Christian Democrats are participating in the genocide being practiced against the people of El Salvador," they emphasized.

They said further that the Christian Democrats are attempting to impose an imperialist model on El Salvador, one relying on repression and trying to drown the just desires of the people of El Salvador for freedom in blood.

They said that the support of the junta in El Salvador by the ODCA is a clear reflection of the traditional and proimperialist ideas promoted by these Christian Democratic movements, and they noted that without any doubt one of the leaders of this organization is Jose Napoleon Duarte, who discredited himself completely on agreeing to the North American proposal with regard to the crisis in El Salvador.

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CSO: 3010

## COMMUNIST PARTY ACTIVITIES REPORTED

### Open Letter Denies Subversion

Managua LA PRENSA in Spanish 19 Mar 80 p 12

[Text] The secretary general of the Communist Party of Nicaragua, Eli Altamirano, who is being persecuted by security organizations accused of being involved in an open campaign to disrupt the revolutionary government, this morning sent a response to the statements made by Commander Lenin Cerna against him.

In his message, Altamirano, among other things, denies emphatically having had any contacts with Somoza or any CIA agent. He adds that Commander Cerna "falsely accused decent comrades such as Ariel Bravo Lorio, Allan Zambrana, Cristobal Guido and Jose Lino Saldana of a number of misdeeds and alleged crimes."

Altamirano insists that "he has never in his life had any relations with anyone named Somoza, much less with members of the dictatorship, against which our party as well as myself, as a communist militant, are fighting vigorously."

After having said he was "deeply upset" by what he calls an implied insult against his party, Altamirano refutes the accusation that they were never arrested, pointing out that he himself obtained his freedom from the Somozist jails only after the revolutionary triumph took place.

### Security Reveals Plot

Managua LA PRENSA in Spanish 19 Mar 80 pp 1, 12

[Text] The State Security Department has announced that it has discovered and crushed a series of conspiratorial activities which were to be carried out during the current month coincidentally with the start of the Great National Literacy Crusade. In a press conference granted yesterday by Chief of Security Lenin Cerna, Assistant Chief Walter Ferreti and Deputy Interior Minister Jose Valdivia, the aforementioned was made known at the same time that a few handguns and confidential documents of the Communist Party of Nicaragua were presented.

Lenin Cerna showed the journalists party documents in which the militants were directed to carry out indiscriminate seizures of lands in the western zone, including lands which are currently in the hands of the state.

This plan of the party which was going to be carried out through the CAUS [Center for Labor Unity and Action], the MORE [Revolutionary Workers Movement], and the UCN [Nicaraguan Peasants Union] coincides, said Cerna, with a plan of the CIA which was already discovered by security, aimed at carrying out a series of work stoppages which would obstruct production.

Meanwhile, some gangs were discovered which were preparing to set up at the same time armed action against the Sandinist army. Thus, in this coordinated fashion, a very dangerous situation could have been created for the country at these moments when the literacy crusade is about to be started, Cerna continued.

"The Sandinist Popular Army," said Walter Ferreti, "the Sandinist Police, the Militia and State Security are fully committed to guaranteeing the normal development of the literacy campaign; of this, you can all be sure."

#### Fifty-five Arrested

Currently, 55 persons linked to the communist party are in jail, after weapons had been found at the sites of their meetings, which were shown to the journalists. There were four pistols, a few dozen bullets of various calibers and two military helmets with the insignia of the hammer and sickle.

Lenin Cerna explained that a great many of those arrested will be freed because they have not been found to have been responsible, while others will face trial.

Among those who will be tried are Allan Zambrana, Ramon Quintanilla, Jose Ariel Bravao, Jose Lino Saldana, Alfredo Lopez Hernandez, Carlos Ernesto Molina, Claudio Saldana Briceno, Alvin Salinas, Ernesto Avendano, Esteban Adolfo Mejia, Noel Lindo Palma, Edgard Danilo Zapata Chavez, Julio C. Varela, Julio Farinas Aleman and Francisco Isidro Lopez Torrez.

The most well-known leader of the Communist Party, Eli Altamirano, was not arrested by the Sandinist authorities.

"These few arms that we are displaying," said Cerna, "are barely a sample, the tip of an iceberg which we are exposing. Because we know that they have weapons, that they have refused to surrender their weapons.

"But we have followed them closely," he added, "and where they appear there is sabotage and harassment. They have carried out sabotage of state production units and in other places."



## Eli and the Embassy

In statements made by elements of the party to the Somozist security and which were found in the archives, it appears, according to Cerna, that many of its leaders denounced each other without shame.

There were cases like that of Cristobal Guido Hernandez who even fought in Bocay and who denounced to the Somozist security his contacts with the guerrillas and denounced the location of German Pomares, who managed to escape miraculously from the persecution of the National Guard.

Concerning Eli Altamirano, Lenin Cerna said that another "communist" leader, Andres Ruiz Escarcia, had told security of the connections which Altamirano had with Somoza since his beginnings in union work.

It is known that since 1967 Altamirano had not worked at any establishment and that he was "protected" by the affluent Hector Arguello. About this relationship, Lenin recalled that once there was a district problem in La Fuente where Hector Arguello was the owner of unsanitary buildings.

Eli Altamirano on this occasion strongly attacked the district neighborhood committee through the pages of NOVEDADES to defend his protector Hector Arguello.

In another part of the dossier on Eli Altamirano, Cerna pointed out that according to statements by Zobeyda MacCrea--a CIA and Somoza double agent who is currently in prison--Eli arrived at the American Embassy to meet with officials there.

## Zobeyda Continues To Sing

Later on, Lenin Cerna referred to Zobeyda MacCrea, who, he said, is still giving valuable information to the State Security Department on persons who have links with the CIA.

Cerna stated that many people who are still living freely in the country have already been denounced by MacCrea and are being investigated in depth by State Security.

"This will be a famous case, which will be famous for a long time," said Lenin Cerna referring to Zobeyda MacCrea.

## More Surprises

Finally, Cerna and Ferreti explained that next week at the latest more details will be made known on the plans which the CIA had prepared against our country, to be carried out throughout March.

They also mentioned that there were already people who had been arrested for activities of the counterrevolutionary groups which were being organized. And they mentioned explicitly the area of Esteli and Natagalpa as places where these groups are active.

The State Security officials announced that they will give out the bases, plans and names of the persons implicated in these attempts to disrupt the revolutionary state.

"We," they said, "have great limitations, but with a great effort we have been able to discover many very important things."

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CSO: 3010

## NICARAGUA

### COMMENTATOR DISCUSSES RELATIONS WITH U.S.

Managua LA PRENSA in Spanish 31 Mar 80 p 2

[Article by Carlos Chamorro Coronel: "We and the United States"]

[Text] One of the most difficult and sensitive problems for the Nicaraguan Sandinist Revolution to solve is our future relations with the Colossus of the North, as the United States was formerly called. Besides, it is a problem which must be approached very calmly and wisely and, if possible, without emotion.

For this purpose, we must focus on it from a total framework of historic reference and not a partial one. What is the United States and what are we? Now then, to concentrate on the problem properly, we must start with the present tangible situation, which now exists in the entire Western hemisphere. Or if you wish, start from the very fact, that whether we like it or not, we make up together the same concrete historic and geographic reality. That is, both of us, North and Latin America, are part of the same continent: We are both American, and we have to live together peacefully, although separately, in a civilized manner.

Consequently it does not involve mere ideological positions and less still simple demagogic attitudes. We have to live together--it is not enough to coexist--with our northern neighbors, regardless of what our relations may have been previously.

Up till now, at least until 19 July 1979, the U.S. policy had been the one characterized at that time prophetically by Ruben in his Ode to Roosevelt: a policy of invasion, aggression and intervention. But this policy, which had such disastrous results, not only for ourselves, but also for the

United States itself, collapsed noisily when the hated Somoza dictatorship was overthrown. Now it is up to us to fashion a new policy, or more simply still develop some really human relations with the North Americans, which perhaps we never have had before.

Therefore it does not mean, as many people tend to believe, that we are no longer going to have relations with the United States, when it is quite the contrary. So far it means we are going to begin to have formal and proper relations with them, as Sandino himself wished; that is to say, on the basis of justice and equality. Breaking relations with or isolating ourselves from the United States, would not only be catastrophic, but especially antihistoric.

Of course, it is the United States which has first to correct a policy, which as we have said, was one of aggression and intervention until now. Thus the repudiation of all Latin America, which in the final analysis explains and justifies Sandino's attitude and position in the mountains, as a symbol of an entire continent. Therefore the hopes and expectations of all our peoples are based on the Sandinist Revolution.

However, it is not vengeance which must prevail, but the redemption of peoples oppressed for so many years. This is Christian, and human, it is proper and magnanimous. And the North Americans must understand it this way, if they want to completely understand the rebellion of these peoples.

Historically, Anglo-Saxon predominance goes back at least to 1763, the year of the Treaty of Hubertusburg, a date which according to Professor Lukacs is more important than the French Revolution itself--although less dramatic--because of the subsequent results for the world. With France and Spain defeated on the American continent, there arose simultaneously as military powers, Russia and Prussia (militaristic Germany) in Europe, which, together with Austria, were later to divide with impunity martyred Poland and in America the United States, still an English colony and only 13 years away from its independence in 1776.

Of course we are still far from the Spanish American War for Cuba specifically in 1898 and Roosevelt's policy or more properly, antipolicy of the Big Stick in 1900, but already in 1823, 2 years before our independence, Monroe proclaimed his doctrine, which although right in a certain sense, to prevent or stop the reactionary influence of the not very Holy Alliance

advocated by Metternich at the Congress of Vienna in 1815, rather was an instrument for the contrary, perhaps only with the exception of the establishment of Maximilian's Empire in Mexico, after our national war.

I say perhaps even in this very case of United States intervention, or if you wish alleged cooperation against the French troops of Napoleon III, because in the opinion of the eminent writer, Jose Vasconcelos, the North Americans helped Juarez to thwart the emancipating Mexican revolution then beginning.

The same writer points out that the North Americans first took it on themselves to plot insidiously and then undermine Bolivar, the liberator, in Panama a few years after our independence, with his aim of achieving the longed for Latin American union, excluding the United States.

However, the stronger prevailed over the weak and scattered afterwards, we were easy prey for the ambitions of Manifest Destiny. Four strategic enclaves remained in our America: Cuba, Panama, Puerto Rico and Nicaragua. Mexico was deprived of a good part of its territory and bankers, oil dealers, miners and banana growers were up to their old tricks throughout the length and breadth of the subcontinent.

In the nineteen twenties, Sandino's figure appears as an almost desperate but conclusive answer to the cry which Ruben would utter earlier, although the latter also became "panamericanized" not very convincingly in Rio de Janeiro, as he recognized in his letter to Madame Lugones.

Ruben was not a military man, but a man of letters and therefore he despaired having written his protest about the wings of the swans, symbols of art and culture: However, at his call, another Nicaraguan, Nica de Niquinohomo, picks up the rifle and the machete against the blond Anglo-Saxon invaders.

Somoza assassinated Sandino in a sneaky, cowardly manner in 1934, but later at the end of that same decade, Mexico takes the first step, through its president Lazaro Cardenas, in the final liberation of Latin America, nationalizing the petroleum of the same fields where Sandino had left part of his life and his labor. This was its first result. Afterwards Cuba would come. And now Nicaragua appears to complete the circle.

It is now up to the United States to appropriately answer the challenge of an entire continent which protests vigorously



about a policy which has only had tragic results. An answer, which naturally cannot be the already known one of gunboats--although now they may fly the Colombian flag--claiming to defend an alleged sovereignty against a small but courageous country which does not even have ships.

It is an answer which also demands much imagination, intelligence, generosity and especially boldness. Because if the United States really wants to reach a thorough understanding with Latin America, it has to abandon once and for all that pseudopolicy, antipolicy or even worse, one which we would call "empty policy," or that is inane or devoid of all human content and therefore, in the final analysis, genocidal, which finally collapsed in Nicaragua with everything and the massive equestrian statue of the dictator, who is the father of the most tragic dynasty which our history has known to their shame.

In fact, if there is goodwill and understanding, the solution is not very difficult. If they have already reached an agreement with Panama on the sensitive question of the canal, why not continue on the same way, solving the already chronic and intolerable problem of Cuba's criminal isolation? Why maintain the embargo against the poor but gallant island, a symbol of independence? Why not return the Guantanamo base immediately to its rightful owners, moreover, an installation which is completely obsolete for modern times? Or return its independence to Puerto Rico in a reasonable period? This is difficult, but not impossible. Therefore I say that a great deal of boldness is necessary to implement a new really innovative policy and consequently as beneficial for them as for us, also ending once and for all these criminal military regimes, which are humiliating to dignity and freedom in our continent.

If the United States fears the increasing political and military influence of the Soviet Union in these areas --a reasonably justified fear--they should also realize that they are responsible for this result of conducting hitherto an arrogant as well as aggressive policy.

If they should decide to change it, we could well apply here the prophetic words of Ruben on the front of the medal: "Welcome, magic eagle...."

8490  
CSO: 3010

## NICARAGUA

### RAMIREZ RESPONDS TO CALLS FROM PEOPLE

Managua BARRICADA in Spanish 11 Apr 80 pp 1, 5

[Text] Dr Sergio Ramirez Mercado, member of the JGRN [Government Junta of National Reconstruction] answered last night a large number of questions which the people phoned in, during the first broadcast of the program "Direct Line" transmitted by Radio Sandino.

The importance of the above program is that it is the first time in Nicaragua's political life that our people have had a really direct contact with their leaders.

This program will be broadcast every Thursday at 2000 hours and high officials of the revolutionary government will take part in it to answer our people's concerns.

The people began to make their phone calls early in the evening to Radio Sandino, where newspapermen and technicians did an outstanding job of making the broadcast of the program possible.

Comrade Sergio Ramirez declared, before the question and answer program began, that he was pleased to be the first government official to participate in the above program. He added that it confirms the scope of the revolution, which is an advance in the democratic consolidation of the Popular Sandinist Revolution.

#### The People Ask

The majority of the questions which the people phoned in were about speculation in essential grains, price control, the political future of the country, sale of dollars in Nicaragua, as well as about rumors which have circulated that slaughterhouses throughout Nicaragua would close.

Persons of different social strata dialed the telephone number of Radio Sandino to question Dr Sergio Ramirez Mercado. They made calls not only from Managua, but Nicaraguan citizens from Chinandega and Chontales also expressed their anxieties to the JGRN member.

One question asked Ramirez Mercado was how is the shortage of essential grains in Nicaragua explained, in spite of the fact that Paul Atha, Minister of Domestic Commerce, says that such a scarcity does not exist.

Ramirez Mercado admitted the country has supply problems and frankly answered that the country's distribution system is not a marvel. He added that the shortage is not real, but only speculation.

Housewives also questioned the member of the government junta. All of them asked questions about the price index, why it has not been totally completed.

Ramirez' answer was that the government has tried to complete the price index, but nevertheless speculation, the activities of certain elements and some shortcomings in administration exist, a situation which will have to improve as the operation moves along.

#### Future of the Country: Democratic

Rafael Gonzalez Moreno asked what is the position of the political parties in Nicaragua, such as the MDN /Nicaraguan Democratic Movement/, communist party etc. and if Ramirez could tell him something about the coming elections.

Ramirez declared that the political future of Nicaragua is democratic. We will have true democracy, to the extent that the workers, peasants and all the people are organized and politically involved.

Likewise he said that the revolutionary government guarantees the participation of all political parties in the Council of State to be inaugurated next 4 May. He indicated that the above council will be a democratic assembly.

Regarding future elections, the government junta member said that we will decide when there are municipal elections throughout the country, in which the people elect their municipal authorities.

Ramirez Mercado emphasized "these are the steps which the government of reconstruction and revolution will take to solve the problems which arise."

Domestic servants also expressed their concerns. Regarding what the government intends to do in the case of domestic service, Ramirez said that like the other workers, the revolution guarantees an improvement of the situation of domestic workers.

He declared that in the future they are going to improve domestic work through schools, since it is one of the goals which the revolution has set for itself.

The merchants asked questions about the black market. Ramirez Mercado answered that the government is concerned about solving the problem of the black market, for which purpose the Central Bank of Nicaragua will have to intervene.

Another one of the questions asked the JGRN member involved solidarity with the Salvadoran people.

The answer was that the best way which we Nicaraguans can show our solidarity with the Salvadoran people is by working to consolidate the revolution.

Other questions were answered by Ramirez Mercado who pointed out that problems will be solved as the people's organized participation becomes more effective, since the people have won the right to make demands on the government in cases where it fails in its administrative measures.

3490  
CSO: 3010

SUPREME COURT CHIEF VIEWS JUDICIAL COORDINATION

PA010213 Managua Sistema Television Sandinista Network in Spanish 0200 GMT  
30 Apr 80

[Text] Roberto Arguello Hurtado, president of the Supreme Court of Justice said a coordinating committee had been created to prevent any dispute among officials meting out justice in our country.

The committee is made up of representatives of the Justice, and Interior ministries and the Sandinist police.

[Begin recording] Relations are developing well since there has been greater coordination. As you all know, with the triumph of the Sandinist revolution there was not a single tribunal or police office left in the country and all of us in this revolution are new to these matters. Naturally there have been misinterpretations and a lack of coordination, but little by little, as the revolutionary process advances, problems have been solved.

Every revolution has its problems, the police have their problems and courts have their problems but we have already attained a coordination which has advanced. We have had several meetings and we are going to hold a larger meeting in order to define any new possibility for misinterpretations.

[Question] What can you tell us about the creation of this coordinating committee.

[Answer] Several state institutions involved with the handling of justice have created a high-level committee to coordinate and introduce the reforms needed so that justice is meted out correctly. This committee will be composed of all the sectors which participate in the administration of justice, such as the Interior and Justice ministries, the judicial authorities and the Sandinist police. All these ministries are going to create a commission to make a study of the social and juridical situation in the country in order to draft and improve the Nicaraguan judicial system.

[Question] Do you think that with the creation of the coordinating committee there will be an end to the problems with the judges?



[Answer] There have always been problems and I think that it is precisely for this reason that the coordinating committee is meeting in order to coordinate relations between the judicial authorities and the police and vice versa. There have been certain misinterpretations which must be corrected in the future and as problems emerge they will be solved and in this manner we will improve the system until the time comes when it runs well. We are still working with the old Somozist laws and the old structures which will be completely reformed. It is not a matter of patching up the laws but of implementing an institutional reform at all levels. One cannot blame anyone, because we are all to blame if justice still advances slowly because of a lack of coordination and because we are working under the old judicial system.

CSO: 3010

# SECURITY DEPARTMENT SCORES LOCAL HUMAN RIGHTS COMMISSION

## False Accusations Cited

PA041421 Managua Radio Sandino in Spanish 0300 GMT 3 May 80

[Excerpt] The State Security Department held a news conference to deny false statements that the Nicaraguan Human Rights Commission has issued against the State Security Department. Companero Juan Jose Ubeda, member of the State Security Department has accused Jose Esteban Gonzalez, member of the so-called Human Rights Commission, of promoting a slander campaign against the Sandinist revolution. Ubeda referred to a recent dispatch sent by Gonzalez in which he reports that Nestor Ortiz Serrano had been arrested and tortured by our authorities. Companero Ubeda reiterated that this type of reports are part of the slander campaign conducted by the Human Rights Commission in Nicaragua to try to destroy the prestige of our revolution. According to Companero Ubeda this campaign against our revolution is not being carried out only locally, but also internationally.

## Red Cross Visits Jails

PA041441 Managua Radio Sandino in Spanish 0300 GMT 3 May 80

[Excerpt] Juan Jose Ubeda, State Security Department official, today reported that an International Red Cross delegation was recently in our country. It visited the jails in Managua without receiving one complaint and left satisfied with the conditions of the prisoners.

During a news conference, Ubeda accused Alberto Sur and Jose Esteban Gonzalez, members of the Nicaraguan Human Rights Commission, of promoting a slander campaign against the State Security Department. Their accusations are disrespectful and false. They create doubts about the justice of our revolutionary process, Ubeda pointed out.

CSO: 3010

## NICARAGUA

### ROLE, HISTORY, REORGANIZATION OF POLICE FORCE DESCRIBED

#### Police Training Program

Managua BARRICADA in Spanish 15 Apr 80 pp 1, 5

[Text] The police force is currently in the midst of a training process. According to Cdr Marcos Somarriba, political official at the Ministry of Interior, the basic problem this body faces is the political and moral training of each of its members, such as to convert them all into true and worthy servants of the citizenry.

We could add for our part that the Sandinist police force must present the aspect of the revolution, for it is this body precisely which is in constant and permanent contact with the people.

The social functioning of public order depends on the comportment of the Sandinist police force.

In this article we quote the statements by Guerrilla Commander Marcos Somarriba, who has analyzed the problems faced by the police force and the efforts being made to overcome them.

#### History of the Police

According to the statements made by Guerrilla Commander Marcos Somarriba, political officer of the Ministry of Interior and the Sandinist police force, popular sectors which participated in the Managua rebellion took over some military institutions, including the central police headquarters, after the 19 July triumph.

The majority of these individuals were infiltrators, anti-social elements, marihuana addicts, elements of the peasantry and even former Somoza guards representing themselves as Sandinists.

The national leadership of the FSLN [Sandinist National Liberation Front] decided 15 days after the triumph to establish a police corps, and Comrade Francisco Roman was appointed to carry out that organization. He created the first Sandinist cadres within the police and began to purge the irresponsible and anti-social elements.

It should be noted that the first Sandinist cadres and those which now make up the general staff of the police corps, and the others who have been transferred to wherever our revolution needs them, are veteran combatants who have fought in the mountains and who on their return were assigned the task of forming a police body which would present the true face of our revolution.

Four basic and specific problems face the Sandinist cadres assigned to organizing a police corps at the beginning. They were: 1) The existence of anti-social elements, who undermined the task of the Sandinist cadres; 2) The shortage of cadres on a level equal to a great and difficult task; 3) The lack of experience in this field; and 4) the inadequate military installations and material conditions for establishing a police corps, such as had not previously existed.

#### Housecleaning in the Police Force

In an earlier press conference held at the Ministry of Interior, it was learned that 1,500 members of the police were expelled for the following reasons: irresponsibility, lack of discipline, inconsistency and lack of identification with our revolutionary process.

At the present time, Comrade Sobarriba told us, the basic police problem is not the conception of the body but the political and moral training of the comrades working within the police. They must know what their true role in relation to our people, in relation to our revolution, is.

The attitude of a policeman must be honest, loyal and conscientious and he must have a high sense of patriotic duty.

With regard to the scientific and technical aspects, Comrade Somarriba said that the police must plan and achieve higher levels in police technology in order to continue increasing their efficiency in their respective functions.

To raise this technological level within the police, the corps is beginning to offer courses leading to graduation as middle-level expert technicians, or so that policemen can specialize in criminology, fingerprinting, police procedure, etc, reaching higher technical levels.

One of the improvements being made in the training of policemen has to do with the courses being offered at the Walter Mendoza and Pedro Arauz Palacios Police Training Schools, as well as the courses taught in foreign schools such as those in Cuba, Costa Rica, etc.

#### Literacy in the Police Force

Complete elimination of illiteracy in the ranks of the police is another of the immediate tasks the police force is carrying out. This 5-month

literacy campaign will not end there, for while the police force continues to consolidate, further training will always be offered to the comrades, to raise their cultural, political and scientific levels.

For the time being, reading and writing will be offered to police comrades so that they can reach the sixth-elementary-grade level, then the high school level, even pursuing university studies and graduating in some specialty. The educational goal for the police is to come to be not only a technical police force, but an intellectual one as well.

The true policeman must have ideological strength capable of resisting any harmful influence exerted by unscrupulous persons, seeking to vilify him and do harm to our revolutionary process.

The work of the policemen is done among the corrupt and vicious social misfits, the products of a government structure, anti-social elements who always try to bribe the police in order to commit their evil deeds.

In order to deal with such corruption, political and moral training is needed. Policemen must have the qualities of a Sandinist, must be honest and simple, must defend their fatherland and safeguard the interests of the oppressed.

#### The Internal Order Patrols

In order better to consolidate the police and nurture their image, a special armed body called the Internal Order Patrols (POI) was recently established to supervise and oversee the conduct of the police.

The POI will contribute greatly to further eliminating irresponsible elements and to imposing discipline and order within the police force.

#### Police Force Transformed

Managua BARRICADA in Spanish 16 Apr 80 pp 1, 5

[Text] Commander of the Revolution Tomas Borge, minister of interior, spoke yesterday at the Ajax Delgado Police Headquarters about the transformation our Sandinist police will undergo in the physical, moral and technical aspects.

The return of the comrades who have been studying abroad will vastly increase the technical competence of the police. This official went on to say that the police will also enjoy improved living conditions, for decorations are of little use if the stomach is empty.

He added that it is not proper for the police to be badly dressed and in this connection they will be supplied with uniforms and pistols. Within a month and a half these pistols, which will not be owned by the force but by the policeman, are expected to arrive.



In the course of his statement, Commander Borge announced that the Sandinist police will be given juridical authority, to which end a law will be promulgated, authorizing the chief of police in each department to sentence a criminal to up to 1 year in prison. This step is being taken because when some criminals are arrested by the police, they obtain speedy release due to skillful maneuvers by their lawyers.

#### Unscrupulous Judges

Cdr Tomas Borge, speaking of the magistrates' function, said that some of them have backward ideas and are unaware that a revolution has occurred. It does not worry them at all to release a criminal, a murderer or a trafficker in drugs, who will only steal and kill again.

In this connection, the minister of interior added, the most difficult struggle, requiring sacrifice, heroism, unselfishness and commitment is the struggle against the remnants of the past, represented by some corrupt or weak judges.

These are vestiges to be found in some sectors of our armed forces and even the police, vestiges evidenced in the attitude toward prisoners and little respect for the citizens. The revolution was undertaken so that each member of our armed forces, of the army, of the police, will protect our citizens.

"We are forging a police force to protect the children, old people, the weak. We are not creating a policeman who will impose upon the people: he must above all be a policeman respectful of others," this official said.

He added that a policeman who sells out for a few pesos is worse than a criminal, for he does not discredit just himself but an institution. He does not sully his own name, but the glorious name of the FSLN.

#### Closer Coordination

Comrade Tomas Borge spoke of the closer relations which should exist between the police and the army, because they are a part of a single body. The police force is like the face of that body.

He also spoke of the treatment to which prisoners are entitled. Refraining from mistreating them is a way of improving the technical level. The use of violence means violation of the principles and attitudes adopted. It means a lag in the development of the police force.

In questioning a prisoner, it is necessary to do what our Sandinist guerrilla fighters did, using their heads, this official said. He went on to say that police technology is developing and is very broad, in view of all the modern advances, but that it will never replace man.

Comrade Borge stressed that the neighborhood committees play an important role in vigilance and that they must cooperate with the police in dealing with crimes.

He said that the police force was established to combat crime and maintain public order, that it must be a pure, honest, self-sacrificing and beautiful force, adamant where crime is concerned and impeccable in dealing with the people. It must open its arms to children and clench its fist toward criminals.

#### Education of the Police

Education within the police force should be provided with love and solidarity toward the Latin American peoples. Our revolution must function from the inside outward, with arms open wide to other peoples.

In this connection Cdr Tomas Borges said that our people, the CDS [Sandinist Defense Committees], the People's Militia, the army, the police and all of us who are Nicaraguans are prepared to aid the people of El Salvador in their struggle, because they are our brothers and solidarity with them is an obligation for us.

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C80: 3010

NEW HIGHER EDUCATION PROGRAM DRAFTED

PA030223 Managua Radio Sandino in Spanish 1800 GMT 2 May 80

[Report by Elsa Gomez from Government House--live]

[Text] Companeros [words indistinct] president of the council, Guerrilla Commander Omar Cabezas, by the Sandinist National Liberation Front [FSLN] delegate to the council, Companero Jose [words indistinct] executive secretary and Octavio Martinez, director of National Higher Education Planning Council, reported on the short-term general plan for higher education to begin operating this school year 1980-1981.

The program corresponds to the revolutionary spirit and should mainly help peasants and Sandinist Front fighters who have only been to 6th grade. A gigantic education plan will be organized using former Somozist homes turned into university residences in Managua.

The Nicaraguan Agrarian Reform Institute donated a tract of land for the buildings needed.

According to the national education development plan, there will be health, agriculture and education courses of varying length. In the second place will be technological careers. There will be also higher education study centers. This will not affect administrative personnel or students of the national university.

The plan also considers eliminating the duplication resulting from the existence of different study centers. [Words indistinct] these courses will be given in a single center.

The plan considers not only studies at home but also studies abroad. There is also a program to cover studies abroad. There is now a number of scholarships offered by USSR, Cuba, GDR, the People's Republic of Bulgaria and Hungary. There is a total of 300 scholarships available up to 30 August. They cover 5 years of study and 1 year of [word indistinct]. Requests for these scholarships are being received from various places and high schools.

The main requirements for applying for these scholarships are the student's socioeconomic condition, his willingness to return to serve the revolution and his academic level.

In the Atlantic coast a technological training center will be built soon. This center will teach matters of interest to the people of the Atlantic coast, including the building of fishing boats, the processing of sea foods and equipment maintenance.

CSO: 3010

## NICARAGUA

### ENABAS PURCHASE, DISTRIBUTION FUNCTIONS EXPLAINED

Managua BARRICADA in Spanish 15, 16 Apr 80

[Article by Pablo Candia Latino]

[15 Apr 80, pp 1, 5]

[Text] In order to explain, basically, the truth about ENABAS [National Staple Foods Enterprise] and its role in the current revolutionary process, we will begin this article by talking about the efforts that it has exerted and the grain stores that it has maintained so far.

The Ministry of Domestic Trade at one point called on all grass roots organizations and the Chamber of Commerce to set up a Managua Supply Committee.

Our people's urgent demand for basic goods required such an organization, and Supply Committees had already been set up in the departments of Esteli, Ocotal, Matagalpa, Jinotega, Juigalpa, Leon, Rivas, etc.

When the first meeting was held to form the Managua Committee, the representatives of the Chamber of Commerce rose up in opposition to the guidelines for the marketing of basic goods that the government had drawn up and failed to recognize the grass roots organizations such as the CST [Sandinist Workers Federation], ATC [Agricultural Workers Association] and CDS [Sandinist Defense Committees], an attitude that was tantamount to denying the reality of our revolutionary process. When the Reconstruction Government, through the Domestic Trade Ministry, rejected these gentlemen's stand, they withdrew from ENABAS and took with them Managua's wholesalers, who are now known as ACOPROBAMA [expansion unknown].

These wholesalers, organized and sponsored by the Chamber of Commerce, are the same people who have tried to pass themselves off as "poor" and "small" businessmen, demanding free trade, accusing ENABAS of cornering the market, of being a state monopoly, etc, etc.



At this point, practically all wholesalers throughout the country are organized by the chamber, but mainly basic grain wholesalers are involved.

This divorce between the Chamber of Commerce and ENABAS shows clearly today which institution is really concerned about the majority, about our people and which institution is concerned about the minority, the ones who want the freedom to exploit, to charge whatever prices they wish.

This specifically is the origin of the wholesalers' stand towards ENABAS.

At the same time that these developments were taking place, the legitimate organizations of small businessmen, especially the members of market CDS's, have been bolstering their support for the state price regulation agency.

ENABAS plans to set up grocer cooperatives in the various poor districts of the capital, and in fact the first one has already been established in the San Judas district.

The idea is to supply these cooperatives from a central warehouse from which the grocers can redistribute the staples that our people consume.

Our stocks of basic grains can be described as growing, subject only to occasional fluctuations.

For example, in our current situation the extent to which supplies are distributed immediately depends on the extent to which ENABAS can tap nationwide harvests.

In many cases, distribution requirements outstrip the harvesting pace, and the shortfall must be covered by imported reserves.

We can assert, however, that our growing stocks have been organized so as to guarantee domestic supplies in 1980.

The nationwide harvest has supplied ENABAS with these amounts: corn, 80,000 quintales [1 quintal=100 pounds] from December 1979 to February 1980; beans, 65,000 quintales in February and March of this year.

Estimates of ENABAS's share for the rest of the year are as follows: corn, 13,000 quintales in April, 45,500 quintales in May, the same amount in June, 260,000 quintales in August, 676,000 quintales in September, 91,000 quintales in November and 96,200 quintales in December.

Beans: 61,600 quintales in August, 30,800 quintales in September, 61,600 quintales in November and 123,200 quintales in December.

Rice: 11,500 quintales in April, 23,000 quintales in May, 23,000 in June, 43,200 quintales in August, 54,400 quintales in October, 129,600 quintales in November and 75,200 quintales in December.

Just 192,000 quintales of sorghum are expected to be harvested for the entire year, mostly in September.

#### Imports

Meanwhile, the necessary imports began coming in in January 1980, and the following are the figures so far:

In February and March the country imported and received 80,000 quintales of beans, 399,500 quintales of rice and 100,000 quintales of corn. In April and May we expect to take in 109,700 quintales of beans, 216,500 quintales of rice and 400,000 quintales of corn.

Aside from these imports of basic grains, we have also made overseas purchases of eggs, oil and wheat, for which the Reconstruction Government has paid \$41 million dollars (410 million cordobas). Hence, it is very important for our country to generate foreign exchange by boosting our output of exportable farm goods.

The Domestic Trade Ministry feels that with the already contracted bean imports, our needs for this period are met. Rice requirements are also regarded as covered.

Some 250,000 additional quintales of corn will have to be imported, on top of the half million already contracted for.

To these imports we should add the 1980 food aid program promoted by the EEC, which totals \$9 million (90 million cordobas).

Of this amount, \$3 million worth will have to be purchased in Europe, while \$5 million worth of miscellaneous goods, such as grains, chicken, oil, eggs, etc, can be purchased in Mexico or Central America.

The other \$1 million, which is specifically for food for the thousands of literacy instructors, will go to buy 3,200 metric tons of grains, the breakdown being 600 metric tons of beans to be purchased in Central America and 2,600 metric tons of either corn or rice, to be bought in Europe.

[16 Apr 80 pp 1, 12]

[Text] ENABAS has slowly but surely been assuming the enormous responsibility of equitably distributing basic consumer goods.

At this juncture, a specialized department has been set up to see to it that the items that our people consume are justly distributed, as well as to detect potential bottlenecks.

There are currently seven distribution channels for marketing basic commodities: established businesses, ENABAS retail stores, stores at work centers, ENABAS wholesale stores, People's Supermarkets, Supermarkets of Nicaragua and People's Stores.

Traditional business establishments are also considered to include the businesses controlled by the Municipal Government Boards, backed by ENABAS, and the associations of organized private merchants.

But their independent status at no time authorizes them to ignore the official price list, and they are subject to ongoing inspections, both with regard to prices and the smooth distribution of basic commodities.

Since our state has set for itself the goal of harnessing 40 percent of domestic harvests, established businesses are responsible for handling and distributing the remaining 60 percent.

We should point out that established private businesses continue to rely on their traditional distribution channels, in other words, their various distributors throughout the country.

We should then ask ourselves: Is ENABAS cornering the market? Who controls the 60 percent of consumer commodities? Who causes artificial shortages? The conclusions can be drawn easily enough.

#### How the Retail Stores Operate

At present, there are 137 ENABAS people's retail stores in operation in Managua, plus 16 in capital municipalities.

In the rest of the country there are 138 in 15 departments. They are run by private merchants who already had a grocery store infrastructure and who are today supplied by ENABAS.

Although there are no pacts or franchises with their owners, such measures might be implemented in the near future.

In accordance with distribution plans, another 200 people's retail stores are needed in Managua and another 450 in the rest of the country.

The victorious people themselves decide on the locations of these stores through their mass organizations and recommend the citizens best suited to run them.

This is what the people who rend their clothing calling for "free" trade do not like; this is what the people who are slandering ENABAS today, thus denying the reality of our revolution, refused to recognize.

#### Work Centers

As of today, ENABAS supplies 270 stores at work centers in Managua. They are run by committees consisting entirely of the workers at the centers themselves.

Our fellow workers in the rest of the country should organize solidly at their work centers to get stores set up. ENABAS currently supplies 90 stores at work centers in the departments.

#### Wholesalers

We should understand that this distribution channel does not come in direct contact with consumers; instead, these large, ENABAS-run stores supply retailers.

Stores of this kind are located today at the Oriental, Israel Lewites, Periferico Oriental and Periferico Occidental markets. Other facilities throughout Managua will soon begin operating as ENABAS wholesale outlets.

There are ENABAS-controlled distribution warehouses of this type in Rivas, Nandaime, Masaya, Nueva Segovia, Leon, Chinandega, Boaco, Bluefields and Puerto Cabezas.

#### Supermarkets

What was known under the bloody Somoza tyranny as the Mas X Menos Supermarket Chain was started up again recently, and the first of them is now operating under the name of People's Supermarket.

Its workers formed an organization and are now in charge of running and monitoring it. Another will soon be opening up in Bello Horizonte.

These supermarkets are allowed limited profits to cover their costs and to have reserves for reinvestment and future expansion.

In addition, the former La Colonia chain of supermarkets was given an enterprising new start 3 months after our triumph. It began operating in Sandinist Nicaragua as a joint capital enterprise in which the revolutionary government has a 75 percent share in the capital.

ENABAS tries to the best of its ability to supply these supermarkets and the people's stores with basic commodities, while the supermarkets are responsible for obtaining complementary supplies through other channels.

Although they are still run by their former owners, we can give assurances that these distribution channels offer guaranteed controlled prices to our people.

#### People's Stores

These stores represent one of the Domestic Trade Ministry's latest efforts to broaden distribution channels and make basic foodstuffs more accessible to our people.

An agreements and supplies section is in charge of organizing, running and monitoring them.

We can describe them as small supermarkets run by the Domestic Trade Ministry. They will initially offer a basic shopping basket of 20 items included in the 1980 Economic Revival Program, but additional people's stores will be set up in accordance with consumer needs.

Eight are scheduled for Managua, 4 for Leon and 3 for Chinandega, the goal being to open up 92 people's stores throughout Nicaragua.

The program includes our Atlantic coast, and Comrade Otto Roeder, the head of People's Stores, is currently touring the region to familiarize himself with the actual basic commodities needs of our brothers in that area.

The first People's Store is already in operation in El Crucero, southern highway. Another will soon be opening up in Ciudad Sandino (the former Open).

#### Transportation of Basic Foodstuffs

Fifteen 7-ton trucks are rented to transport some of the basic items that ENABAS distributes.

Overall, ENABAS has 43 transport vehicles, whose capacity ranges from 3 to 22 tons each.



We should also mention the 25 trucks (7 are refrigerator units and 15 are platform trucks) from what used to be called the Land Transportation Enterprise. Almost all of them are currently under repair.

ENABAS also has 65 light-weight units. Our government is not trying to fool anyone, especially not our people. That is why we need additional units to take care of shipments, distribution and supplies, etc.

The EEC has made Nicaragua an offer to meet these additional needs. The purchasing bids will soon be taken in Europe for forty-one 7½-ton trucks, 36 pickup trucks and 16 jeeps, all of them European-made.

These, then, are the enormous current efforts that ENABAS is exerting, the state agency that was set up and that operates with a single goal in mind: to guarantee our liberated people a just supply of basic commodities, free from usury and speculation, free from so-called "supply and demand."

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CSO: 3010

## BRIEFS

**RADIO ATTACKS 'LITTLE ROBELO'**--Little Robelo and Don Fabio Gadea once again have stuck their feet and even their elbows in their mouths when as a result of their ignorance or perversity they tried to compare U.S. imperialism's interventionism with proletarian internationalism during an ad hoc radio interview. For Little Alfonso and Don Fabio Gadea the fact that many Latin American brothers and others from various parts of the world have given and continue giving their assistance in the reconstruction during the period of the Sandinist revolution, represents a vulgar intervention very similar or even worse than that carried out in our country for a long time by the U.S. imperialists. Such nonsense, such ignorance about a genocidal policy and such ill-will (words indistinct) brotherhood and solidarity of the people and nations that have the same historic destiny. How could Little Alfonso and Don Fabio Gadea characterize the aid from socialist Cuba as an act of interventionism as if the Cuban brothers were the ones who imposed the Bryan-Chamorro treaty, and as if the Cuban brothers were the ones who often trampled our sovereignty, our condition as free men, the sanctity of our homes and the honor of Nicaraguan men and women. [Eligio Alvarez Montalban] [Text] [PA010313 Managua Domestic Service in Spanish 0330 GMT 30 Apr 80]

**BORGE INAUGURATES CHILDREN'S PARK**--Commander Tomas Borge Martinez this afternoon delivered a heartfelt speech at the dedication ceremony of the Luis Alfonso Velasquez children's park. Thousands of children from all sectors of Managua, members of the Sandinist National Liberation Front National Directorate, junta member Sergio Ramirez Mercado, revolutionary commanders and ministers of the cabinet, attended the ceremony. Commander Borge said it was not right to say the Sandinist revolution was carried out only for the workers. To this should be added, he continued, that it was also for the children of the workers. He referred to the generation which began the war in 1961 against the tyranny that ended with the glorious and historic victory on 19 July 1979. Borge said the merits of those generations could not be denied, but that the generations that followed did a better job, just like today's children formed under the new Nicaragua will some day surpass the generations that came before them. Commander Borge also referred to the members of the literacy brigades whom he said were also under the protection of the revolution. Let no one put a finger on them, he said. We have received reports that some youths participating in the literacy

campaign are facing problems. The Junta of the Government of National Reconstruction will issue a special law to severely punish those wicked persons who are trying to do harm to the literacy campaign workers. [Excerpts] [PA041409 Managua Radio Sandino in Spanish 0300 GMT 3 May 80]

NEW JOB OPENINGS--Industry Minister Fernando Guzman has announced 3,000 new job openings in the textile industry. According to Guzman, several textile industries are being reactivated. This has already been done with the former Venus factory, which was reinaugurated a few days ago. The Peoples Industrial Corporation has also taken over a textile industry in the free zone and there are others involved in the same process. In order to reactivate the textile industry, so as to reduce the prices of clothes for popular consumption, the government will invest over 100 million cordobas. Here are Industry Minister Fernando Guzman's statements for our listeners: [Begin recording] The matter of the Venus factory has a number of very important meanings for the 1980 plan and for the consolidation of our revolutionary process. It is only the beginning of a very big program the Industry Ministry is implementing this year. This program will generate a number of benefits in connection with all basic and fundamental orientations that the plan indicates for the industrial sector. As I said before, the reactivation of the Venus factory is merely the beginning, since the program involves about 25 or 30 other enterprises, most of them smaller than Venus. It also involves the state's big textile plants, such as Fabritex and Cordomit. It involves several other state institutions, such as foreign trade, which will be in charge of importing the necessary raw materials once the Industry Ministry decides what these raw materials are to be. And it involves the financial system, which will have to allocate about 75 million cordobas for this program. [Excerpt] [PA030113 Managua Radio Sandino in Spanish 1200 GMT 2 May 80]

PRISON GUARD SENTENCED--The special court has found one person guilty and acquitted two. The latter are Noel Orcuyo Zeledon and Carlos Mario Giron Madariaga, who were released yesterday afternoon when both were found not guilty following a lengthy investigation in which the charges against them were not sustained. Meanwhile, the members of the court that tried former National Guard colonel and founder of the National Security Office Isaias Cuadra Espinosa found him guilty as charged and fixed the maximum penalty, 30 years imprisonment. Former Col Isaias Cuadra Espinosa, in addition to being the founder of the murky National Security Office, was the prison guard of Commander Tomas Borge when he was a prisoner in the dictator's prisons. [Text] [PA031906 Managua Radio Sandino in Spanish 1200 GMT 3 May 80]

REPEAL OF EMERGENCY LAW--Managua, 1 May (ACAN-EFE)--The Nicaraguan Revolutionary Government has abolished the national emergency law issued on 22 July 1979 following the victory of the Sandinist guerrillas. The validity of this law had been extended last 11 April. Deputy Attorney General Mario Mejia stated today that this measure does not abolish, as had been believed, the nine special courts in charge of judging the actions of the

former members of Somoza's National Guard and National Security Office. "Most of these individuals and others who are sheltered in some embassies are responsible for the Somozist government's genocide, which annihilated the people by fire and sword, and they must answer to society for their crimes," Mejia stated. He added that up to now about 300 Somozist criminals have given testimony before these revolutionary courts, and that the total number to be tried is more than 7,000. Verdicts of acquittal and sentences of up to 30 years imprisonment have been passed in these trials. [Excerpts] [PA030137 Panama City ACAN in Spanish 2110 GMT 1 May 80]

PROSECUTORS SHOULD OBSERVE LAW--The Justice Ministry reported today that it has issued specific instructions to all departmental prosecutors' offices to comply strictly with Decree No 172 of 21 November 1979 canceling all sorts of audits, impoundments, inspections or confiscations of chattels, real estate, vehicles or livestock and also banning the freezing of bank accounts, savings accounts and certificates of deposit. Instructions have also been given that all cases under investigation will be immediately forwarded to the ministry offices and no further action will be taken regarding them. The same communique orders the prosecutors to strictly observe the legal provisions contained in the decrees promulgated by our Junta of the Government of National Reconstruction. Free fatherland or death! [Signed] Ernesto Castillo Martinez, Justice Minister. [Text] [PA301422 Managua Radio Sandino in Spanish 1200 GMT 30 Apr 80]

CSO: 3010

PERU

FOREIGN MINISTER COMMENTS ON SITUATION AT EMBASSY IN HAVANA

Lima EL COMERCIO in Spanish 8 Apr 80 p 8

[Remarks made by Minister of Foreign Relations Arturo Garcia at a press conference held at Torre Tagle Palace on 4 April 1980]

[Text] My dear friends:

I have called you together to speak to you tonight about the serious situation that has arisen at the Peruvian Embassy in Havana as a result of the Cuban Government's decision to withdraw police protection from our Embassy and to incite the Cuban people to take refuge in the Peruvian Embassy if they wanted to leave the country.

Initially, that day--the morning of the fourth--a few people entered the Embassy. I should note that at the end of the day the figure was 311. On the following day--in the afternoon--the count had reached 1,300; during the evening it reached 3,000 inside and 3,000 outside. Today the figure given us is 8,000 and as high as 10,000 people.

As you realize, this situation is completely the responsibility of the Cuban Government. To my knowledge, there have been no precedents anywhere, ever. It has caused the circumstances of the people who have taken refuge in the Peruvian Embassy to be extremely precarious. We are unable to provide the most basic facilities. It is physically impossible, particularly in a country such as Cuba, where food is obtained through official cards, for us to feed 10,000 people, although we wanted to, although we made every effort to. Furthermore, it is also impossible for us to take care of their most basic needs.

As a result, Peru believes that in this grave crisis international solidarity is necessary. We have contacted friendly countries, particularly those that are represented in Havana, as well as the International Committee of the Red Cross and the UN High Commissioner for Refugees. We think that if the International Committee of the Red Cross manages to provide aid to this immense multitude and the



high commissioner is able to relocate these refugees in the various countries that agree to give protection to those who want to leave Cuba, then Peru, in turn, besides being prepared to carry out the coordination that is necessary, can also contribute to the solution, receiving--to the extent it is able--some of the refugees now in our Embassy in Havana.

I am at your disposal to answer the questions you may want to ask me:

[Question] Mr Minister, you say that to the extent it is able Peru is prepared to receive these refugees. Does this mean that there are limits? That is, that Peru cannot take responsibility for those refugees? And, if not, what tactics are going to be used? What means do you envision for preventing those 10,000 refugees from coming to Lima?

[Answer] I think that both from the point of view of the ability to take them in Peru and from the point of view of transportation, it is impossible for Peru to move that immense number of people in a short time. What we are trying to do is to call upon international solidarity, for I believe that no country can move all those people and take them in by itself. I think that it has to be the international community as a whole that assumes this responsibility. Peru will do all that it can, but it is impossible for Peru to assume alone the responsibility that we think primarily belongs to the Cuban Government because it caused this tragedy that has no precedents in international history.

[Question] What evidence is there, Mr Minister, of what you say, that the occupation of the Embassy has been promoted by the Cuban Government? How has the Cuban Government acted? Has it called on the radio, has it said "People, go to the Peruvian Embassy, for you can get out that way"?

[Answer] Well, they announced that the "posta" had been removed. The "posta" is what they call the police booths that guard the entrance to the embassies. The same day that the communique came out, they made quite a show of going ahead with it. At 0800 hours in the morning large cranes arrived and took away the booths that stood around the grounds of our Embassy. At the same time, throughout the day the radio spread the news that there was now no protection for the Peruvian Embassy. Little by little, the people were approaching and entering the Embassy. Later, when the news was circulated that those who entered the Peruvian Embassy could leave the country, this became a genuine invasion. For, as I told you, while there were only 300 the first day, and 3,000 on the second day, now there are 10,000. It is remarkable that there was such a large number of people prepared to live in the subhuman conditions that exist

right now, crowded into a space that I think is no larger than 2,000 or 3,000 square meters; 10,000 people who are prepared to live in those conditions. It must be because their desire to leave Cuba is very strong, and the Peruvian Government will do everything that it can to satisfy them.

[Question] Mr Minister, in the light of what has happened, do you still believe that Ambassador de Habich's position was, in our language, which is not diplomatic, mistaken?

[Answer] I think it was mistaken, yes.

[Question] Mr Minister, does anyone know why the Peruvian Embassy has been chosen for this measure and not another embassy; for example, Venezuela's?

[Answer] We are very surprised by the Cuban Government's attitude. To tell the truth, we have not succeeded in deducing the reason for such a serious step. Nor have we succeeded in figuring out why their communique uses such violent language, not only against Peru and Venezuela, but against practically all the other Latin-American countries, except for Mexico.

However, from what was said in the Cuban communique and from what our personnel in Havana were told, the taking of this measure against the Peruvian Embassy is due to the death of a policeman on 1 April. You know that on that day, as had happened on two previous occasions, a bus was driven at a fairly high speed against the gate and entered the Embassy grounds. The people from outside, two policemen, opened fire, and as a result two of the Cubans who tried to take refuge were wounded, and one of the policemen died.

At present, we have someone staying at the hospital in which the two wounded people are being cared for. From what our people at the hospital have said, we know that according to the paraffin test given to these two wounded individuals, there was no evidence that they had fired guns. Moreover, the autopsy performed on the policeman seemed to suggest that he was killed by a ricocheting bullet fired by the other policeman.

Nevertheless, my understanding is that the Cuban Government believes that the policeman's death was a result of that entry and that, consequently, the Peruvian Embassy is responsible for that death. We have never encouraged Cubans who wanted to leave the country to enter. However, once they are inside the Embassy, we have given them the protection that is due.

[Question] Mr Minister, aside from the support our country has sought from the international community, what immediate steps is our country going to take, and specifically how many refugees could

it take in?

[Answer] I couldn't tell you how many. That is being studied. As for specific actions, we are probably going to send more Peruvian personnel, who can help in the organization of this operation in Havana.

Meanwhile, we are calling a meeting of Andean Pact foreign ministers to discuss the problem with them.

[Question] The rather aggressive language used by the Cuban Government in its communique: Could it be interpreted as an invitation for Peru to sever relations?

[Answer] I don't know. As I've told you, this very aggressive language has surprised us, for in the past Peru had made major efforts to demonstrate its friendship to Cuba. It was we who initiated a process of recognition of the Cuban process. The president of Peru was in Havana recently at the meeting of the Movement of Nonaligned Countries at the request of the Cuban president himself. In the case of the election for the UN Security Council, Peru continued to vote for Cuba through some 160 votes, despite the fact that the other candidate was one of our colleagues in the Andean Pact. We had a previous commitment to Cuba, and we respected it until the voting ended. All that makes us unable to understand the reason for this very unusual measure which is also very difficult to understand with respect to the verbal aggression against the other Latin-American countries. There seems to be no justification for it.

[Question] Mr Minister, are there precedents for this act in our hemisphere, with respect to the creation of a similar situation?

[Answer] To my knowledge, no.

[Question] How would you describe the situation that exists right now?

[Answer] I would call it a genuine tragedy, and I would say that the Cuban Government's actions leading to this situation are inhumane.

[Question] Mr Minister, we understand, from reports by foreign colleagues, that our Embassy has only a single gate, very vulnerable to this type of intrusion. Why weren't precautions taken in time?

[Answer] We have asked the Cuban Government; we told them long ago about the difficult conditions in which our Embassy operates. I spoke of that the day that I returned from Trujillo several days ago. We had asked them to give us another site to move the refugees to.

Concerning the protective wall, I believe, also, that something was being planned or being done to avoid acts such as this. Not to keep people out, because we cannot and do not want to prevent people from entering our Embassy, but rather to prevent tragedies of this sort.

[Question] Under what conditions? Where is the solution to the existing situation to begin? Through third countries, international agencies? Is it at a standstill right now?

[Answer] Are you referring to the presence of these 10,000 people inside the Embassy?

[Question] Yes, Mr Minister.

[Answer] Well, they can't be described as at a standstill because the situation has existed for only 48 hours. This has come like a whirlwind, then. The problem didn't exist 2 days ago. So it has arisen unexpectedly, and I suppose that is true for both us and the Cuban Government. I doubt that when the Cuban Government decided to take this action, it thought that there would be such a massive response from the Cuban people. I think that they tried to create problems for us by promoting the entry of 50 or 100 people into the Embassy; but I don't think they dreamed that the entire population was going to try to get into the Peruvian Embassy in order to leave Cuba.

[Question] Mr Minister, if this problem is not solved by the Cuban authorities, or if Cuba doesn't alter its position and the language that it has used against Peru, would this mean a probable severing of diplomatic relations, or, more specifically, would it be to Peru's advantage to maintain diplomatic relations with Cuba after it has used such language against Peru?

[Answer] At the moment, the primary concern is the fate of the refugees. Naturally, a possible break has to be considered. But, as I told you, Peru's primary concern at the moment is to find out how we can remedy the tragic situation in which 10,000 people find themselves on the grounds of the Peruvian Embassy.

[Question] Could thought be given to the possibility of the Peruvian Government's approaching the Cuban Government?

[Answer] I don't know if that possibility can still be considered, given the limited will shown by the Cuban document.

[Question] Mr Minister, is Peru going to take this problem created by the Cuban Government to the UN Security Council or not? And on what grounds?

[Answer] We have made no decision regarding that.

[Question] In the midst of this tragic situation, Commander in Chief Fidel Castro suddenly made a visit to the Peruvian Embassy in a manner that seems extradiplomatic. It is not customary for such an important person to go looking for the charge d'affaires, to return to talk to him and to personally take him away. Could you tell us the meaning of such an unusual situation, within the context of the conflict that has arisen?

[Answer] The situation is difficult to explain. I understand that Commander in Chief Castro went to the Peruvian Embassy on the first day, when there were 311 people on the grounds. He arrived, he apparently drove around in a car, observing what was happening. As he was making a second circuit the Peruvian charge d'affaires appeared in the door, and he stopped, had him get into the car and talked with him for a while. He did not explain to me the reason for this visit nor for the conversation with the Peruvian charge d'affaires, for, in any case, the terms that he used in dealing with the problem were not friendly.

[Question] Mr Minister, they weren't friendly with the charge d'affaires, or are you referring to the terms . . . ?

[Answer] They were not friendly in general.

[Question] Mr Minister, if the same thing happens in Peruvian embassies in other countries, will the Peruvian Government always adopt the same position as in the Cuban case, which has been termed fair and humane by other countries?

[Answer] I am sure that such a situation will never occur in another country because such a thing happens only once in a century.

[Question] Mr Minister, my question is, if the citizens of other countries seek asylum in the Peruvian Embassy in other countries. . . ?

[Answer] This is an institution that operates only in Latin America, in accordance with tradition and specially concluded treaties. The giving of asylum is not practiced in countries outside of Latin America, which are not parties to the Convention.

[Question] Mr Minister, what is the nature of the people who have entered the Peruvian Embassy in Havana? Have these people been evaluated yet?



[Answer] It's impossible to make any evaluation because you can't even walk around inside the garden. We don't know who the people there are, nor is there any way of knowing if they are people who in good faith are trying to leave or if they have been infiltrated for a different reason. As I have told you, there are around 10,000 people in 2,000 square meters. I think that in past years what we used to call the "manifestometro" [crowd-meter] was used; the conditions there are comparable to the multitudes of the Lord of the Miracles. It is impossible to know who is there. On occasion I have had to deal with cases of asylum: A person arrives, you receive him, you ask him who he is. You take his identification. You try to find out whether what he is asking is reasonable or not, whether or not he is a political fugitive or what motives move him to his action. If it is possible, we investigate to find out who that person is. In this case, we haven't the slightest idea. It's as if you saw a crowd in a movie and you tried to find out who each of those people is. So an evaluation of the 10,000 people that we have at the moment can't be made. Bear in mind, too, those 10,000 people haven't been there even 24 hours. The first day there were 300, and today there are 10,000.

[Question] Mr Minister, in the negotiations that your office is carrying out, is there a country that is interested or that has offered to receive the Cuban refugees?

[Answer] This event has taken place between Maundy Thursday and Friday. Even yesterday, Saturday, I was not able to locate my Andean Pact colleagues. I have managed to speak to only two of them. It happens that most people are outside the city for this holiday, and I don't think it will be until tomorrow, Monday, that we will be able to coordinate matters more precisely. Thus far, what we have done is send Telex messages to all the people we want to contact, indicating our intention of communicating with them early on Monday.

[Question] Are you going to ask for a meeting of the Andean Council, Minister?

[Answer] That is what I said.

[Question] Mr Minister, what is the reason for the failure to apply--because we have visited the Cuban Embassy--what is called reciprocity, that is, removal of the guards?

[Answer] On the contrary, I have asked the Ministry of the Interior to send additional protection to the Cuban Embassy today; for I believe that we are responsible for both the personal security and the property of diplomatic missions. What Cuba has done is in complete violation of the Convention of Vienna.

[Question] Mr Minister, are policemen going to be sent to protect Peruvian security in Havana?

[Answer] We have four policemen in the Peruvian Embassy in Cuba at this moment.

[Question] When were they sent?

[Answer] They were sent when we had 15 or 20 people. Several weeks ago.

[Question] Are additional guards going to be sent?

[Answer] It is highly probable that tomorrow we will send some. I don't know whether they will be policemen or other officials who can help coordinate the decisions that should be made to assist the people who are on the Embassy grounds.

[Question] Mr Minister, international observers believe that this is the prelude to a possible break in relations between Peru and Cuba. What do you think, Mr Minister?

[Answer] No decision has been reached yet.

[Question] Mr Minister, from dispatches coming out of Havana it appears that the Castro regime was not pleased that Ambassador de Habich was called back to Lima by you and removed from his post. Don't you think that the hardening of Castro's position regarding the problem of the 25 initial refugees in the Peruvian Embassy is due of necessity to the fact that they have lost somewhat more than a friend in Cuba?

[Answer] I couldn't tell you. I don't know what the Cuban Government thinks. As for the movement of our diplomatic personnel, it is exclusively our prerogative.

[Question] Mr Minister, do you believe that the Peruvian Government will obtain safe-conduct for the 10,000 people who are in the Peruvian Embassy to leave?

[Answer] I hope it will, if those people want to leave. I also wish and hope that they can be taken in in a humanitarian fashion by several other countries; but, in any case, as I told you, it is impossible for those 10,000 people to come to Peru.

[Question] What is the present situation of Peruvian diplomatic personnel? How many of them are there? What provisions have been made? Have they been put up in other embassies?

[Answer] They were living in the main building. At this moment

we have only one diplomatic official. There are actually two, but one has been summoned, and he arrived in Lima yesterday. He came to Lima for consultation so that we will know what was actually happening. It is difficult to communicate. The Telex did not always work and it was necessary to do so. We also have the four police investigators. Two of them are officers: One of them is a captain, and the other is a lieutenant. The other two are sergeants. At the moment, that is all the personnel we have.

[Question] Are they living in the Embassy or elsewhere?

[Answer] They have been living in the Embassy until last night. But they have had to leave the Embassy facilities so that the people who are living there can be cared for. What was the Embassy residence has been converted into a hospital for children now, and the Chancellery was converted several weeks ago into living quarters for the other 23 people whom we have.

[Question] Mr Minister, can it be inferred from your statement that it is impossible to care for the 10,000 refugees, that they will be unable to receive any physical aid from Peru or from any country at the moment?

[Answer] Do you mean for their immediate needs?

[Question] Yes, Mr Minister.

[Answer] We had been giving all that was needed to those who had been staying with us, and we began to do what we could for those who were arriving little by little; but that task became impossible when the number reached 10,000. It was impossible for us, and for anyone in Cuba, where it is not a matter of going to the supermarket to buy food, but rather of obtaining limited amounts through a state agency. Ten thousand people is a small city. We're incapable of caring for a small city.

[Question] Mr Minister, are resources being obtained? Is there communication here between the Ministry of Foreign Relations and the Cuban diplomatic mission regarding obtaining resources for sending aid, considering that it has even just been announced that the Cubana Airlines flight for tomorrow has been cancelled? Would Peru be able to send its own planes; that is, is there a mechanism now operating to help these people that has Cuba's approval?

[Answer] As I've told you, regarding aid for the refugees, we can't assume the responsibility for sending food from here for 10,000 people. That is simply impossible. What we have done in Havana is to tell the Cuban Government that they themselves caused this situation and that the Cuban Government is therefore obligated to

provide the necessities arising from the situation.

[Question] Mr Minister, according to a second Cuban Government communique the refugees may leave the Embassy, go to their homes and return later, if they want, to the Embassy. I would like to know if this offer by the Cuban Government is being honored, and if the number of refugees has increased in the last few hours.

[Answer] A moment ago I read a news dispatch referring to this, in which they state that Cuban officials are outside the Embassy granting safe-conducts for this purpose and that some 80 people have requested and obtained them.

[Question] Mr Minister, the fact accompanying or reflecting the Cuban statement--that Cuban diplomatic personnel would be withdrawn en masse to Havana except for a single first secretary--Wouldn't this mean that Cuba is predisposed to a severing of relations?

[Answer] It is possible.

[Question] For the security of the Embassy personnel in Havana, has the Peruvian Government considered sending police or security personnel?

[Answer] As I said a moment ago, we are going to send personnel. I don't know exactly from where, but we are going to send more personnel.

[Question] I have the impression that the Cuban Government has even sent a doctor to the Embassy. . . .

[Answer] I have also read that in a news dispatch and in the latest Telex messages received from our Embassy. I believe, too, that there is a field hospital at the door of our Embassy.

[Question] On the subject of a break by Peru, I would like to know, in short, what has been done?

[Answer] Nothing. No decision has been made for the time being.

[Question] Nor is there an intention of doing it?

[Answer] I believe that there are decisions, not intentions.

[Question] Mr Minister, when I asked you the preceding question, I was talking about the possibility of a break as a result of what has happened in Cuba with respect to Peru. What would the Cuban regime have to do for there to be a break, or what should be rectified for that break not to occur?

[Answer] I think that the Cuban Government has already done all that it could. Our concern right now is the 10,000 people seeking asylum in the Peruvian Embassy.

[Question] Does the Peruvian Ministry of Foreign Relations have to ask for a meeting of the Organization of American States because providing asylum to 10,000 people entails the assistance of more than four or five countries?

[Answer] We've reached no decision about that, either.

[Question] What comment do you have, Mr Minister, about the Cuban agency's claim that Peru is not feeding the 10,000 refugees?

[Answer] That's true. The Peruvian Embassy is unable to feed 10,000 refugees, and it believes that the Cuban Government is obligated to do it; for the Cuban Government is responsible for having encouraged the entry of those 10,000 people, announcing that they could leave Cuba that way. Until then, we had only twenty-odd people, and Cuba has not let them leave. However, now it says that 10,000 can leave. It would have been much easier for those 23 to leave, it seems to me.

[Question] Is Peru going to insist that those 23 leave?

[Answer] The request is permanent, of course. We hope they will leave and we're prepared to receive them when they are permitted to do so.

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